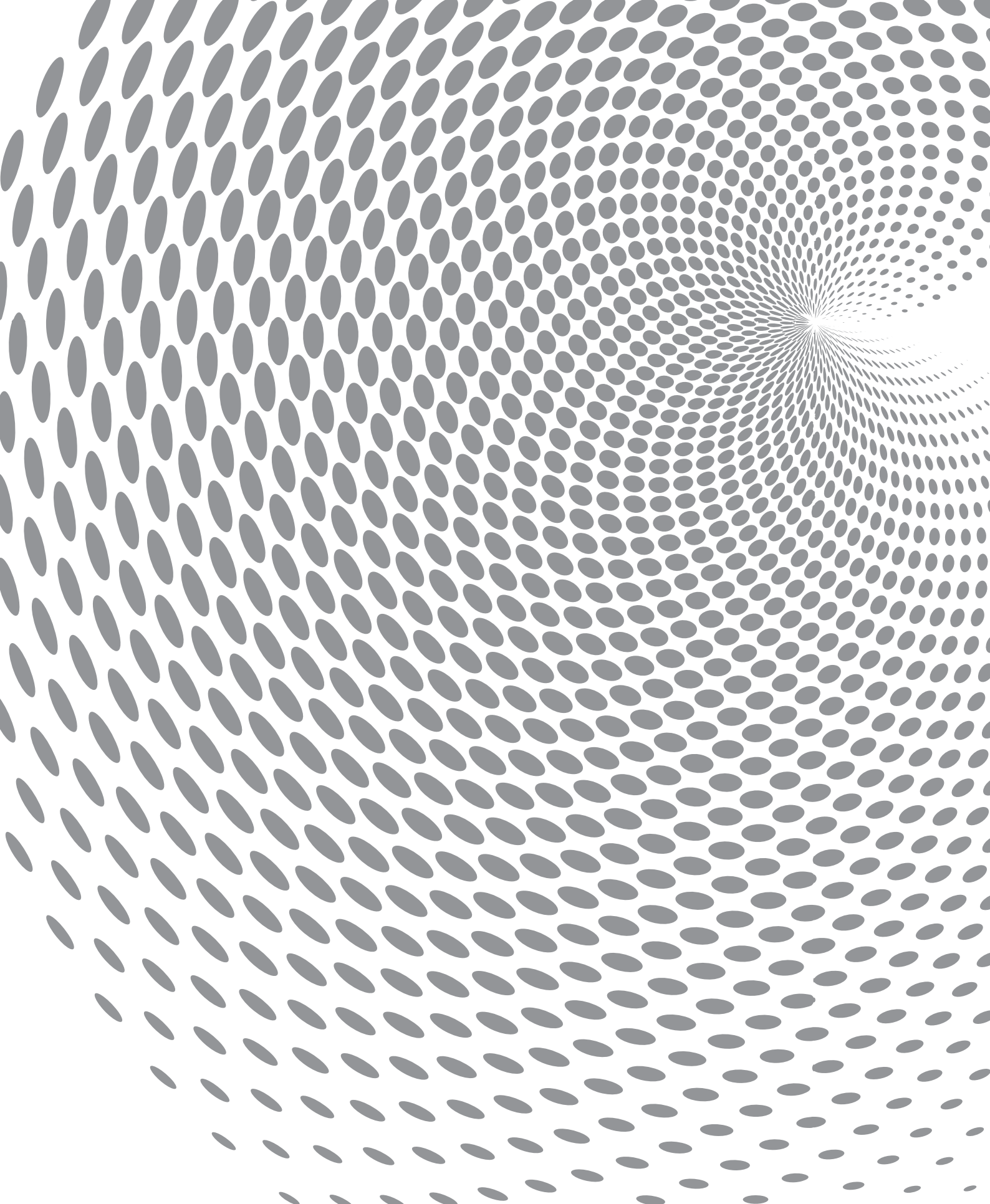




ANNUAL REPORT
2025





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Company Information

Board of Directors

Mr. Khalid Bashir (Chairman)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Asif Bashir
Ms. Maheen Hisham Adamjee
Mr. Mohammad Iqbal
Mr. Shams Rafi

Chief Executive Officer

Mr. Nadeem Maqbool

Chief Financial Officer

Mr. Naeem Sheikh

Audit Committee

Mr. Shams Rafi (Chairman)
Mr. Asif Bashir
Mr. Mohammad Iqbal

HR, Nomination & Remuneration Committee

Ms. Maheen Hisham Adamjee (Chairman)
Mr. Khalid Bashir
Mr. Nadeem Maqbool

Risk Management Committee

Mr. Asif Bashir (Chairman)
Mr. Nadeem Maqbool
Mr. Shams Rafi

Share Registrar

Corptec Associates (Pvt.) Ltd.
503-E, Johar Town, Lahore

Auditors

Riaz Ahmad & Co.
Chartered Accountants

Company Secretary

Mr. Shahzad Nazir

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
MCB Islamic Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Samba Bank Limited
FINCA Microfinance Bank Limited
Meezan Bank Limited
Bank Alfalah Limited

Registered Office

Tricon Corporate Center, 8th Floor, 73-E, Main Jail
Road, Gulberg II, Lahore
Ph: +92-423-5760379, 35760382
Fax: +92-423-5760376
Email: corp.info@suraj.com
Web: www.suraj.com

Project Locations

Nooriabad, District Dadu, Sindh.
Kotla Kahloon, District Nankana Sahib, Punjab.
Bhaikot, Rawind, District Lahore, Punjab.

Vision & Mission Statement

VISION

To be a leading textile enterprise with global aspirations, effectively pursuing multiple growth opportunities, maximizing return to the stakeholders, remaining socially and ethically responsible.

MISSION

We are committed to become a premier manufacturing organization in the textile industry maintaining market leadership in the present business and diversifying / integrating into value added projects with the goal of maximizing returns for all stakeholders.

Core Values

We take pride in adhering to ethical business practices and in being an upstanding corporate citizen. We respect our people and endeavour to provide them ceaseless opportunities to realize their full potential. We recognize our responsibility to our stakeholders, communities and nation. At Suraj we never forget what we stand for.

At Suraj we seek uncompromising integrity through each individual's effort towards quality products for our customers, maximizing returns to the shareholders and sizable contribution to the national exchequer. Our business success is dependent on trusting relationships. Our reputation is founded on the integrity of the Company's personnel and our commitment to the principles of:

PASSION FOR CUSTOMER

Build positive relationships through outstanding service with each interaction.

INTEGRITY

Uphold the highest ethical standards and promote trust and respect.

EXCELLENCE

Exceed expectations and take intense pride in everything you do everyday.

LEADERSHIP

Have the courage to rise above challenges, to work through adversity, and inspire others.

INNOVATION

Imagine what is possible. Foster creativity that challenges constraints and drives progress.

TEAMWORK

Consistently demonstrate an unselfish commitment to working with others to create a collaborative culture.

About Us

PROFILE

Suraj Cotton Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on December 18, 1984 and is listed on the Pakistan Stock Exchange Limited. Since its inception, the Company has established itself as one of the country's leading manufacturers and exporters of premium-quality yarn and woven fabrics.

OPERATIONS & FACILITIES

The Company operates modern spinning and weaving facilities, managed by a highly skilled workforce and equipped with advanced technology. Its yarn division specializes in 100% cotton yarn, produced from a diverse range of fibers, including Pakistani, Australian, USA, Brazilian, PIMA, and Egyptian cottons, with counts ranging from 16/s to 120/s combed compact yarn. The weaving division, comprising 286 Toyoda Air Jet Looms, produces approximately 48 million meters of grey fabric annually. Its output is widely recognized for quality, consistency, and competitiveness in both domestic and international markets.

COMMITMENT TO QUALITY & INNOVATION

Over the decades, Suraj Cotton Mills has built a strong reputation for quality, reliability, and innovation. The Company follows a kaizen-based approach to continuous improvement, regularly modernizing facilities and adopting global best practices. This ensures that it consistently meets the evolving demands of customers worldwide. Exports contribute significantly to revenues, with Suraj Cotton Mills maintaining trusted partnerships across Asia, Europe, and other regions, strengthening its global footprint.

COMPETITIVE STRENGTHS

The Company's edge lies in its ability to combine innovation with operational efficiency. Continuous investment in modern machinery, technology upgrades, and workforce training drives cost competitiveness and superior product quality. Equally, Suraj Cotton Mills is committed to environmental sustainability and social responsibility, ensuring that growth delivers long-term value not only for stakeholders but also for the wider community.

GOVERNANCE & COMPLIANCE

Corporate governance, transparency, and ethical practices form the cornerstone of operations. Suraj Cotton Mills fully complies with the Code of Corporate Governance, ensuring strong oversight by the Board of Directors and effective implementation by management. This framework enables sustainable growth and long-term shareholder value creation.

Business Philosophy

Our Business

We are a manufacturing organization operating integrated spinning and weaving facilities in textile industry and our end products are sold to international and national customers.

Vision of Future Business

We are committed to become premier manufacturing organization in the textile industry maintaining market leadership in the present business and diversifying into value added projects with the object of maximizing returns for all the stakeholders.

Our Strengths

We have made pioneering efforts in development of new products which has enabled us to emerge as a market leader. This together with an innovative and professional management style has helped us to build a strong and financially sound base.

Our Strategy

We are determined to convert our vision into reality by using innovation to create a market niche for our products and by investing in facilities, people, systems and new technology, diversification into value addition and improvements in productivity and service to customers.

We shall aggressively exploit new markets by drawing strength from our corporate image and by promoting a culture that encourages initiatives at all levels of decision making.

Our Values

- We take pride in adhering to ethical business practices and in being a good corporate citizen.
- We respect our people and endeavor to provide them opportunities to realize their full potential.
- We recognize our responsibility to our stakeholders and society.

Chairmans' Review

I am pleased to present the Chairman's Review for the year ended 30 June 2025.

The Economy

In a year marked by unprecedented challenges for Pakistan's textile industry, Suraj Cotton Mills Limited upheld its resilience, achieving strong results through operational excellence, disciplined financial management, and strategic investments. The industry continued to experience pressures from rising utility expenses, fiscal measures favoring yarn imports, increased financial costs, and limited domestic cotton availability, leading to higher dependence on imports and added pressure on the country's foreign exchange reserves. Despite these headwinds, the Company sustained profitability and growth through modernization, efficiency gains, revenue expansion, and prudent investment decisions.

Macroeconomic conditions showed some improvement with declining inflation, reduced policy rates, and stable foreign exchange reserves following IMF support; however, rising gas tariffs, the proposed Grid Levy, and weak grid infrastructure in Sindh remain critical threats. At the global level, weak textile demand continues to pressure exports, though Pakistan may benefit from potential U.S. tariff adjustments if competitiveness improves.

The Company remains focused on core competencies, diversification opportunities, and technological upgradation to achieve cost efficiencies and sustain profitability. While the coming year is expected to remain difficult with high energy tariffs, uncertain monetary policy, and global trade volatility, the Company remains cautiously optimistic and committed to delivering value to shareholders while supporting national economic growth and employment.

Corporate Governance

Suraj Cotton Mills Limited complies with all material requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures, and meetings of the Board of Directors and its committees.

The seven-member Board brings diverse educational and professional expertise, including the valuable representation of an independent female director, thereby strengthening the Company's governance framework and strategic oversight. In line with the Code, the Board conducted its annual evaluation to assess performance and effectiveness against the Company's strategic objectives. For the year ended June 30, 2025, the Board's overall performance was assessed as Highly Satisfactory, with continuous improvement forming a key part of its agenda.

The evaluation highlighted meaningful contributions from executive, non-executive, and independent directors in Board deliberations and decision-making. The Board demonstrated a strong understanding of stakeholder expectations and

adopted a forward-looking approach by setting annual goals and performance targets for management. It diligently reviewed and approved strategies, budgets, financial statements, and reports, supported by comprehensive agendas and timely information. The Board also reinforced a strong tone at the top by promoting transparency, adherence to best practices, and ethical conduct across the Company.

Board meetings were held with appropriate frequency to ensure effective governance, while non-executive and independent directors actively contributed to all key decisions. The Board Committees, operating under clearly defined Terms of Reference, provided critical support and insights, with their performance assessed annually through a self-evaluation process aligned with global best practices.

Future Prospects

With the economy showing early signs of stabilization after a prolonged period of volatility, the outlook for the textile sector appears cautiously optimistic. Improvements in monetary policy, declining inflationary pressures, and targeted government initiatives have created a relatively more enabling environment for businesses.

Strategic investments in technology, process optimization, and market diversification are expected to strengthen competitiveness in both domestic and export markets. Furthermore, potential improvements in cotton production and enhanced access to regional and global trade opportunities provide an encouraging basis for future expansion.

Acknowledgment

I would like to extend my appreciation to my fellow Board members for their continued guidance and dedication. I also convey my gratitude to our valued stakeholders for their trust and confidence, and to our management team and employees for their commitment and loyalty.



Khalid Bashir

Chairman

Date: September 26, 2025

چیمبر مین کا جائزہ

30 جون 2025ء مختتم سال کے لئے چیمبر مین کی جائزہ رپورٹ پیش کرنا میرے لئے باعثِ مسرت ہے۔

پاکستان کی نیکسٹل انڈسٹری کے لیے بے مثال مشکلات کے حامل سال میں، سورج کاٹن ملز لمیٹڈ نے اپنی پلک کو برقرار رکھا، آپریشنل عمدگی، نظم و ضبط مالیاتی انتظام اور اسٹریٹجک سرمایہ کاری کے ذریعے مضبوط نتائج حاصل کیے ہیں۔ صنعت کو یوٹیلیٹی کے بڑھتے ہوئے اخراجات، یارن کی درآمدات کے لئے مالی اقدامات، زیادہ مالیاتی اخراجات، اور کپاس کی محدود دستیابی کے باوجود سامنا رہا ہے، جس کی وجہ سے درآمدات پر زیادہ انحصار اور ملک کے زرمبادلہ کے ذخائر پر دباؤ بڑھ گیا ہے۔ ان مشکلات کے باوجود، کمپنی نے جدید کاری، کارکردگی میں اضافے، آمدنی میں توسیع، اور سرمایہ کاری کے دانشمندانہ فیصلوں کے ذریعے منافع اور نمو کو برقرار رکھا۔

IMF کے امداد کے بعد گرتی ہوئی افراط زر، پالیسی کی شرح میں کمی، اور مستحکم غیر ملکی زرمبادلہ کے ذخائر کے ساتھ میکرو اکنامک حالات میں کچھ بہتری آئی ہے۔ تاہم، گیس کے بڑھتے ہوئے نرخ، مجوزہ گرڈ لیوی، اور سندھ میں کمزور گروڈ انفراسٹرکچر اب بھی سنگین خطرات ہیں۔ عالمی سطح پر نیکسٹل کی کمزور طلب برآمدات پر دباؤ ڈال رہی ہے، اگرچہ مسابقت بہتر ہونے پر پاکستان مکنہ امریکی ٹیرف ایڈجسٹمنٹ سے فائدہ اٹھا سکتا ہے۔

کمپنی لاگت بچانے اور منافع کو برقرار رکھنے کے لیے بنیادی قابلیت، تنوع کے مواقع، اور تکنیکی اپ گریڈیشن پر توجہ مرکوز کر سکتی ہے۔ اگرچہ آئندہ سال توانائی کے زیادہ نرخوں، غیر یقینی مالیاتی پالیسی، اور عالمی تجارتی اتار چڑھاؤ کے ساتھ مشکل رہنے کی توقع ہے، کمپنی قومی اقتصادی نمو اور روزگار کی حمایت کرتے ہوئے حصص یافتگان کو قدر فراہم کرنے کے لیے محتاط طور پر پُر امید اور پُر عزم ہے۔

کارپوریٹ گورننس

سورج کاٹن ملز لمیٹڈ بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تشکیل، طریقہ کار اور اجلاسوں کے سلسلے میں کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں طے شدہ تمام مادی تقاضوں پر عمل کرتی ہے۔

سات رکنی بورڈ متنوع تعلیمی اور پیشہ ورانہ مہارت رکھتا ہے، جس میں ایک آزاد خاتون ڈائریکٹر کی قابل قدر نمائندگی شامل ہے، اس طرح کمپنی کے گورننس فریم ورک اور اسٹریٹجک نگرانی کو تقویت ملتی ہے۔ ضابطہ کے مطابق، بورڈ نے کمپنی کے اسٹریٹجک مقاصد کے مقابل کارکردگی اور تاثیر کا جائزہ لینے کے لیے اپنی سالانہ تشخیص کی۔ 30 جون 2025ء مختتم سال کے لیے، بورڈ کی مجموعی کارکردگی کو انتہائی اطمینان بخش قرار دیا گیا، جس میں مسلسل بہتری اس کے ایجنڈا کا ایک اہم حصہ رہا ہے۔

تشخیص نے بورڈ کے غور و خوض اور فیصلہ سازی میں ایگزیکٹو، نان ایگزیکٹو، اور آزاد ڈائریکٹرز کی باہمی شراکت کو اجاگر کیا۔ بورڈ نے اسٹیک ہولڈر کی توقعات کے بارے میں ایک مضبوط فہم کا مظاہرہ کیا اور انتظامیہ کے لیے سالانہ اہداف اور کارکردگی کے اہداف کو متعین کرتے ہوئے مستقبل کے حوالے سے نقطہ نظر اپنایا۔ اس نے مستعدی سے حکمت عملیوں، بجٹوں، مالیاتی گوشواروں اور رپورٹوں کا جائزہ لیا اور ان کی منظوری دی، جو جامع ایجنڈوں اور بروقت معلومات سے تعاون یافتہ ہیں۔ بورڈ نے پوری کمپنی میں شفافیت، بہترین طریقوں کی پابندی، اور اخلاقی طرز عمل کو فروغ دے کر سب سے اوپر ایک مضبوط لہجے کو بھی تقویت دی ہے۔

موثر گورننس کو یقینی بنانے کے لیے مناسب تعدد کے ساتھ بورڈ کے اجلاس منعقد کیے گئے، جبکہ نان ایگزیکٹو اور آزاد ڈائریکٹرز نے تمام اہم فیصلوں میں فعال کردار ادا کیا۔ بورڈ کمیٹیاں، جو واضح طور پر متعین کردہ شرائط کے تحت کام کرتی ہیں، تنقیدی اور بصیرت فراہم کرتی ہیں، ان کی سالانہ کارکردگی کا عالمی بہترین طریقوں سے ہم آہنگ خود تشخیصی عمل کے ذریعے جائزہ لیا جاتا ہے۔

مستقبل کے امکانات

طویل عرصہ تک اتار چڑھاؤ کے بعد معیشت میں استحکام کے ابتدائی آثار ظاہر ہونے کے ساتھ، نیکسٹل سیکٹر کے لیے نقطہ نظر محتاط طور پر پُر امید دکھائی دیتا ہے۔ مانیٹری پالیسی میں بہتری، گرتی ہوئی افراط زر کے دباؤ، اور حکومت کے نارگنڈ اقدامات نے کاروباروں کے لیے نسبتاً زیادہ سازگار ماحول پیدا کیا ہے۔

ٹیکنالوجی، عمل اصلاح اور مارکیٹ کے تنوع میں اسٹریٹجک سرمایہ کاری سے دونوں ملکی اور برآمدی منڈیوں میں مسابقت مضبوط ہونے کی توقع ہے۔ مزید برآں، کپاس کی پیداوار میں مکنہ بہتری اور علاقائی اور عالمی تجارتی مواقع تک رسائی میں اضافہ مستقبل کی توسیع کے لیے ایک حوصلہ افزا بنیاد فراہم کرتا ہے۔

اظہار تشکر

میں بورڈ آف ڈائریکٹرز کے ممبران کی ہمہ وقت حمایت اور رہنمائی کے لئے تہہ دل سے شکر گزار ہوں۔ میں کمپنی پر اعتماد اور یقین کے لئے اسٹیک ہولڈرز کا بھی تہہ دل سے شکریہ ادا کرتا ہوں۔ بورڈ کے ساتھ، میں انتظامیہ کی ٹیم اور تمام ملازمین کو ان کی وفاداری اور لگن کو سراہتا ہوں۔



خالد بشیر

(چیمبر مین)

بتاریخ: 26 ستمبر 2025ء

Directors' Profile

Mr. Khalid Bashir

Chairman

Director (Non-Executive)

Joined Board:

1998

Chief Executive:

Shams Textile Mills Limited

Director:

Crescent Powertec Limited

The Crescent Textile Mills Limited

Premier Insurance Limited

Mr. Nadeem Maqbool

Chief Executive Officer

Joined Board:

1984

Director:

Premier Insurance Limited

Premier Financial Services (Pvt) Limited

Crescent Steel and Allied Products Limited

Mr. Adil Bashir

Director (Executive)

Joined Board:

2015

Director:

Shams Textile Mills Limited

Crescent Powertec Limited

Equity Textiles Limited

Mr. Ahsan Bashir

Director (Executive)

Joined Board:

1994

Chairman & Director:

Crescent Powertec Limited

Director:

Premier Insurance Limited

Service Industries Limited

Equity Textiles Limited

Mr. Asif Bashir

Director (Non-Executive)

Joined Board:

2024

Director:

Shams Textile Mills Limited

Crescent Powertech Limited

Ms. Maheen Hisham Adamjee

Independent Director

Joined Board:

2022

Mr. Mohammad Iqbal

Director (Non-Executive)

Joined Board:

2010

Chairman & Director:

Acme Mills (Pvt.) Limited

Director:

ICon Global (Pvt) Limited

Mr. Shams Rafi

Independent Director

Joined Board:

2022

Director:

Jubilee Spinning & Weaving Mills Limited

Directors' Report

On behalf of the Board of Directors, I present the operating and financial performance of the company for the year ended 30 June 2025.

Overview

The year under review has seen a decline in large-scale manufacturing in Pakistan due to the high cost of doing business. The textile sector, especially spinning and weaving, were badly affected due to rising utility costs, high cost of financing, and other input costs. In addition, imported yarn and, to some extent, greige fabrics gained market share at the expense of the local industry due to anomalies in the sales tax regime. All these factors led to the closure of spinning capacity, and your company also shut down its older plant. Despite the adverse business climate, your company has managed to perform well and declared a profit of Rs. 1.118 billion with an earnings per share of Rs. 22.92 (2024: Rs. 20.62)

Business Performance

In the year under review, the company achieved revenue of Rs. 27.411 billion, a decline of 7.84% over the corresponding period.

Financial Performance at a glance

The financial performance of your company for the fiscal year ended June 30, 2025 as compared to the previous year, is presented below:

Brief Income Statement	2025	2024	% Change
(PKR in Million)			
Sales	27,411	29,744	-7.84%
Gross profit	2,287	2,396	-4.55%
Operating profit	2,200	2,381	-7.60%
Financial cost	189	407	-53.56%
Profit /(loss) before taxation	2010	1,973	1.88%
Taxation	891	967	-7.86%
Net Profit / (Loss)	1,118	1,006	11.15%
Earnings per Share (EPS)	22.92	20.62	11.16%

Gross Profit

The Company has achieved a gross profit margin of 8.34% for the fiscal year under review, as compared to 8.06% last year. This increase is mainly attributable to higher end-product prices and prudent financial management.

Operating Expenses

For the year under review, distribution costs declined by approximately 6.5% due to lower sales volume. Administrative costs declined by about 4.5% due to stringent cost controls.

Finance Cost

Financial charges for the period declined significantly due to a decline in the policy rate. Over the course of the year,

Directors' Report

SBP has started to reduce the policy rate due to lower inflation and this has resulted in a significant reduction in our Finance costs.

Your company reported a profit before tax of Rs. 2,010 million during the current fiscal year, as compared to Rs. (1,973) million reported last year. Similarly, company posted an after-tax profit of Rs. 1,118 Million as compared to Rs. (1,006) Million reported last year.

Earning Per Share

Earnings Per Share (EPS) of the Company amounted to 22.92 for the fiscal year ended June 30, 2025, as compared to 20.62 in the previous year, reflecting an improvement

Dividend & Appropriation

Considering current capital and equity investment plans; the Board has proposed a final cash dividend of PKR 5 per share subject to approval of shareholders in upcoming Annual General Meeting scheduled to be held on October 27, 2025.

Risk Management & Environmental

The company faces various risks, summarized as follows, along with corresponding mitigating strategies.

Strategic Risks

The company is confronted by various strategic risks during the course of its operations. Some of these risks include utility prices and energy mix, financial charges, and the demand in both domestic and international markets. These are being continuously monitored by the management as well as the Risk Committee so that timely interventions can be made to mitigate the same and to minimize any adverse impact. This monitoring helps us make decisions about growth targets and expansion plans.

Operational Risks

Business continuity and disaster recovery plans are in place to ensure continuity in production and sales operations; in case of major failures and outages, to ensure continuity, sustainability, and avoid any disruption to the business. Raw material sourcing, adequate segregation of duties, self-sufficiency in power generation at our plants, efficient supply chain, and logistic operations have enabled us to mitigate operational risk to an acceptable level.

Financial Risks

The management endeavors to minimize financial risks for the company, which may arise due to exchange rate movement, through various tools available and strict financial discipline.

Compliance Risks

Due to effective compliance with laws and regulations and transparent financial reporting framework, compliance risk posed to the Company remains low. The Board promotes risk management and compliance culture in the Company. Litigation risks involving significant cases against the Company are handled through reputable Law firms.

Directors' Report

with specialized expertise wherever required.

Directors' Statement on Corporate and Financial Reporting Framework

The Directors of your company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Rule Book of Pakistan Stock Exchange. Your Company has undertaken all necessary steps to ensure Good Corporate Governance and compliance with the Code, and we confirm the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The System of Internal Control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the company's ability to continue as a going concern.
- Statement of the pattern of Shareholding has been included as part of this Annual Report.

Statement of Compliance with the Code of Corporate Governance

The Company strictly adheres to the principles of Corporate Governance mandated by SECP and has implemented all the prescribed stipulations. The same have been summarized in the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, duly reviewed by the auditors and annexed with this Annual Report.

Composition of the Board

Suraj Cotton Mills Limited has a Board of Directors comprising seven (7) members, representing diverse backgrounds, essential skills, insights, and expertise relevant to the Company's operations. The composition of the Board as of June 30, 2025, is as follows;

TOTAL NUMBER OF DIRECTORS		
a)	Male	07
b)	Female	01

Sr. No.	Category	Name
1.	Independent Directors	Mr. Shams Rafi Ms. Maheen Hisham Adamjee (Female Director)
2.	Non-Executive Directors	Mr. Khalid Bashir (Chairman) Mr. Asif Bashir Mr. Mohammad Iqbal
3.	Executive Directors	Mr. Nadeem Maqbool (Chief Executive Officer) Mr. Ahsan Bashir Mr. Adil Bashir

Election of Directors/Composition of the Board and its Committees

The election of the Board of Directors was held in 2025. In compliance with legal requirements, the Board fixed the

Directors' Report

number of directors to be elected at seven (7). The election was held on March 27, 2025, at the Extraordinary General Meeting (EOGM) of the Company. Consequently, the seven (7) retiring directors were re-elected for a new term of three (3) years, commencing from April 1, 2025. In line with the CCG Regulations, 2019, the Board Committees were subsequently reconstituted. After the election, Mr. Khalid Bashir was re-appointed as Chairperson of the Board, while Mr. Nadeem Maqbool was re-appointed as the Chief Executive Officer of the Company.

Board Committees

The Board of Directors has constituted the following three (3) Committees to assist in carrying out its fiduciary duties. These Committees, along with their membership details and meetings held during the fiscal year 2025, are as follows:

Committees	Meetings Held During the FY 2025
Audit Committee (AC)	04
HR, Nomination & Remuneration Committee (HRN&RC)	01
Risk Management Committee (RMC)	-

	Audit Committee	HRN&R Committee	Risk Management Committee
Chairperson	Mr. Shams Rafi	Ms. Maheen Hisham Adamjee	Mr. Asif Bashir
Member	Mr. Mohammad Iqbal	Mr. Khalid Bashir	Mr. Nadeem Maqbool
Member	Mr. Asif Bashir	Mr. Nadeem Maqbool	Mr. Shams Rafi

Meetings of the Board & Committees

During the fiscal year 2025, five (05) meetings of the Board of Directors were held, along with the requisite meetings of its committees to complete the full cycle of activities. The names of the Directors and their attendance at these meetings are presented below;

Name(s) of the Directors(s)		AGM	EOGM	BOD	AC	HRN&R
Khalid Bashir	Chairperson/Non-Executive Director	1/1	1/1	5/5		1/1
Nadeem Maqbool	CEO/Executive Director	1/1	1/1	5/5		1/1
Adil Bashir	Executive Director	1/1	1/1	5/5		
*Ahsan Bashir	Executive Director	1/1	1/1	5/5	1/4	
Asif Bashir	Non-Executive Director	1/1	1/1	5/5	4/4	
Maheen Hisham Adamjee	Independent Director		1/1	3/5		1/1
Muhammad Iqbal	Non-Executive Director	1/1		4/5	1/4	
Shams Rafi	Independent Director	1/1	1/1	5/5	4/4	

*Subsequent to the election of Directors, the Committees were reconstituted, and Mr. Ahsan Bashir ceased to be a member of the Audit Committee.

Performance Evaluation of the Board of Directors and Committees of the Board

Board evaluation mechanisms have been established in line with the CCG Regulations, 2019, and global best practices, enabling the Board of Directors to review its performance and effectiveness in providing strategic leadership and oversight to the Company's senior management. Appropriate procedures, reflecting emerging and leading practices, have been developed to assess the performance of the Board and its Committees. Additionally, separate evaluation questionnaires have been developed for the Chief Executive Officer and Chief Financial Officer.

Directors' Report

Directors' Remuneration

The Board has implemented a formal policy supported by transparent procedures for fixing Directors' remuneration. In accordance with the Code of Corporate Governance, no Director is involved in the determination of his/her own remuneration package. The Company does not pay remuneration to the Independent Directors and Non-Executive Directors except fees for attending the meetings as prescribed under the Companies Act, 2017. The Company's remuneration framework is designed to balance competitiveness with prudence, aligning compensation structures with prevailing industry trends, business practices, and the long-term interests of shareholders.

Related Party Transaction

All related party transactions are carried out at arm's length, in the ordinary course of business, and in full compliance with applicable laws and regulations. During fiscal year 2025, all such transactions were presented to the Audit Committee and subsequently to the Board for review and approval. Detailed information on related party transactions for fiscal year 2025 is disclosed in the notes to the Financial Statements.

Risk Governance and Internal Controls

The Board of Directors oversees risk management through the Risk Management Committee (RMC). To ensure effective risk governance, the Board has established a rigorous system of internal controls designed to safeguard the Company's assets, reputation, and financial integrity. This system promotes efficient operations, compliance with applicable laws and regulations, and reliable financial reporting. The RMC, reporting directly to the Board, to check supervises and guides the Management on effective mitigation and monitoring of key risks.

Adequacy of Internal Financial Controls

The Board affirms its responsibility and has established an effective system of internal financial controls to safeguard the Company's assets, ensure compliance with applicable laws and regulations, and support reliable financial reporting. The Board meets regularly to review the Company's financial performance, operating and capital budgets, forecasts, business development plans, capital expenditure proposals, and other key performance indicators. The independent Internal Audit function of the Company provides continuous monitoring of financial control implementation, while the Audit Committee oversees the internal control framework and reviews the financial statements on an ongoing basis. Furthermore, a comprehensive Company-wide policy is in place governing the appraisal and approval of investment expenditures and asset disposals.

Corporate Social Responsibility (CSR)

Through a diverse range of impactful initiatives, we endeavor to create positive value for our employees and the communities where we operate. The Company remains committed to promoting sustainability and diversity while maintaining a strong emphasis on community health and empowerment, with all initiatives directed towards generating meaningful and measurable impact. During the year, the Company undertook several key programs, including significant investments in healthcare, education, and environmental conservation.

Auditors

The financial statements of the company for the current financial year were audited by M/s Riaz Ahmad & Co. Chartered Accountants. The Auditors will retire at the end of Annual General Meeting.

Being eligible, they have been offered for re-appointment. The Board has recommended the appointment of M/s Riaz Ahmad & Co. Chartered Accountants as Auditors for the ensuing year, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

Directors' Report

Pattern of Shareholding

Pattern of shareholding of the Company, as required by section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2025 is annexed with this report.

Future Outlook

The year under review has been full of challenges for the textile industry. Faced with a high cost of doing business, imported yarn and fabrics exacerbated the situation. Our buyers were able to buy cheaper yarns and import them duty and sales tax free under the EFS, putting the domestic manufacturer at a disadvantage. This has led to severe capacity curtailments by the local spinners. Your company managed to face these challenges, resulting in positive results. At the start of the current financial year, the government has discontinued the EFS scheme. This step will augur well for the industry as it gives them a level playing field. Imports will not stop, but we will at least be able to compete, given reductions in financial costs and utility prices. Gas prices for generating electricity for self-consumption have increased manifold, and your company and others have to pay the extra cost due to shortcomings in the electricity grid system.

The cotton crop was projected to be higher than last year, and early arrivals were encouraging. However, due to widespread rainfall and floods, it is difficult to make any accurate predictions at this time. Since international markets for cotton are low, we should be able to meet our requirements through imports. Product demand continues to remain slow in view of serious liquidity problems. The US decision to impose tariffs on the world, with Pakistan enjoying some advantage, has led to slow export demand. While these issues settle down, we expect the situation to remain volatile. Pakistan needs to capitalize on getting some advantage in tariffs. For this to happen, we need our industry to become regionally competitive, and the government must play a greater and more aggressive role in making industrialization its top priority.

The Pakistan Stock Exchange continues to perform well, and your company's equity portfolio is well-positioned to reap the benefits. Our focus, as always, remains on improving efficiencies and reducing costs. We are always leveraging the latest technical advancements to our advantage, ensuring that we remain competitive.

Acknowledgements

On behalf of the Board of Directors, I would like to thank all our partners and employees for their continued support. I would also take this opportunity to express my gratitude to the Board for their valuable insights and guidance.



Chief Executive Officer



Director

September 26, 2025
Lahore

مجلس نظماء کی رپورٹ

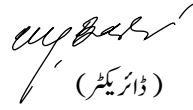
کے پیش نظر مصنوعات کی طلب سست روی کا شکار ہے۔ دنیا پر ٹیرف لگانے کے امریکی فیصلہ سے پاکستان کو کچھ فائدہ ہوا ہے، جس کی وجہ سے برآمدات کی طلب میں کمی آئی ہے۔ جب کہ یہ مسائل حل ہو جائیں گے، ہم توقع کرتے ہیں کہ صورتحال غیر مستحکم رہے گی۔ پاکستان کو ٹیرف میں حاصل شدہ کچھ فوائد پر مستفید ہونا چاہئے۔ ایسا کرنے کے لیے، ہمیں اپنی صنعت کو علاقائی طور پر مسابقتی بنانے کی ضرورت ہے، اور حکومت کو صنعت کاری کو اپنی اولین ترجیح بنانے کے لیے زیادہ اور زیادہ جارحانہ کردار ادا کرنا چاہیے۔

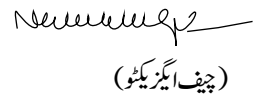
پاکستان اسٹاک ایکسچینج مسلسل اچھی کارکردگی کا مظاہرہ کر رہا ہے، اور آپ کی کمپنی کا ایکویٹی پورٹ فولیو فوائد حاصل کرنے کی اچھی پوزیشن میں ہے۔ ہماری توجہ، ہمیشہ کی طرح، کارکردگی کو بہتر بنانے اور اخراجات کو کم کرنے پر رہتی ہے۔ ہم ہمیشہ اپنے فائدے کے لیے جدید ترین تکنیکی پیشرفت کا فائدہ اٹھا رہے ہیں، اس بات کو یقینی بناتے ہوئے کہ ہم مسابقتی رہیں۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام شراکت داروں اور ملازمین کی مسلسل حمایت پر ان کا شکریہ ادا کرتا ہوں۔ ہم بورڈ آف ڈائریکٹرز کی قابل قدر بصیرت اور رہنمائی کے بھی شکر گزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز


(ڈائریکٹر)


(چیف ایگزیکٹو)

لاہور

26 ستمبر 2025ء

مجلس نظماء کی رپورٹ

لین دین کو آڈٹ کمیٹی اور اس کے بعد بورڈ کو جائزہ اور منظوری کے لیے پیش کیا گیا۔ مالی سال 2025 کے لیے متعلقہ فریق کے لین دین کے بارے میں تفصیلی معلومات مالیاتی گوشواروں کے نوٹس میں بیان کی گئی ہیں۔

رسک گورننس اور داخلی کنٹرول:

بورڈ آف ڈائریکٹرز رسک مینجمنٹ کمیٹی (RMC) کے ذریعے رسک مینجمنٹ کی نگرانی کرتا ہے۔ مؤثر رسک گورننس کو یقینی بنانے کے لیے، بورڈ نے اندرونی کنٹرول کا ایک سخت نظام قائم کیا ہے جو کمپنی کے اثاثوں، ساکھ اور مالی سالمیت کے تحفظ کے لیے ڈیزائن کیا گیا ہے۔ یہ نظام مؤثر کارروائیوں، قابل اطلاق قوانین اور ضوابط کی تعمیل، اور قابل اعتماد مالیاتی رپورٹنگ کو فروغ دیتا ہے۔ RMC، بورڈ کو براہ راست رپورٹ کرتا ہے، تاکہ نگرانی اور انتظام کو مؤثر تخفیف اور اہم خطرات کی نگرانی پر رہنمائی کر سکے۔

داخلی مالیاتی کنٹرول کی مناسبت:

بورڈ اپنی ذمہ داری کی توثیق کرتا ہے اور کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بنانے اور قابل اعتماد مالیاتی رپورٹنگ کی حمایت کے لیے داخلی مالیاتی کنٹرول کا ایک مؤثر نظام قائم کیا ہے۔ بورڈ کمیٹی کی مالی کارکردگی، آپریٹنگ اور سرمائے کے بجٹ، پیش گوئی، کاروباری ترقی کے منصوبے، سرمائے کے اخراجات کی تجویز، اور کارکردگی کے دیگر اہم اشاریوں کا جائزہ لینے کے لیے باقاعدگی سے اجلاس بلاتا ہے۔

کمپنی کا آزادانہ اندرونی آڈٹ فنکشن مالیاتی کنٹرول کے نفاذ کی مسلسل نگرانی فراہم کرتا ہے، جبکہ آڈٹ کمیٹی داخلی کنٹرول کے فریم ورک کی نگرانی کرتی ہے اور مالی گوشواروں کا مسلسل جائزہ لیتی ہے۔ مزید برآں، سرمایہ کاری کے اخراجات اور اثاثوں کے تصرفات کی تخصیص اور منظوری کے لیے کمپنی کی جامع پالیسی موجود ہے۔

کارپوریٹ سماجی ذمہ داری (CSR):

متعدد اثر انگیز اقدامات کے ذریعے، ہم اپنے ملازمین اور ان کیونٹریں جہاں ہم کام کرتے ہیں کے لیے مثبت قدر پیدا کرنے کی کوشش کرتے ہیں۔ کمپنی کیونٹی کی صحت اور بااختیار بنانے پر مضبوط زور کو برقرار رکھتے ہوئے، باہمی اور قابل بیانش اثرات پیدا کرنے کے لیے تمام اقدامات کے ساتھ پائیداری اور تنوع کو فروغ دینے کے لیے پُر عزم ہے۔ سال کے دوران، کمپنی نے صحت کی دیکھ بھال، تعلیم، اور ماحولیاتی تحفظ میں اہم سرمایہ کاری سمیت کئی اہم پروگرام شروع کیے ہیں۔

آڈیٹرز:

موجودہ مالی سال کے لئے کمپنی کے مالیاتی گوشواروں کا میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے آڈٹ کیا۔ آڈیٹرز سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی بناء پر، انہوں نے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ بورڈ نے آئندہ سالانہ عام اجلاس میں ممبروں کی منظوری سے مشروط، آڈٹ کمیٹی کی تجویز پر آئندہ سال کے لئے میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آڈیٹرز کی حیثیت سے تقرری کی سفارش کی ہے۔

حصص داری کا نمونہ:

30 جون، 2025 کو کمپنیز ایکٹ، 2017 کے سیکشن 227(2)(f) کے تحت مطلوبہ، کمپنی کے شیئر ہولڈنگ کا نمونہ، رپورٹ ہذا کے ہمراہ لف ہے۔ مستقبل کا نقطہ نظر:

زیر جائزہ سال ٹیکسٹائل انڈسٹری کے لیے مشکلات سے بھرپور رہا۔ کاروبار کرنے کی بہت زیادہ لاگت کا سامنا کرنا پڑا، درآمد شدہ یارن اور کپڑے نے صورت حال کو مزید کشیدہ کر دیا۔ ہمارے خریدار سستے یارن خریدنے اور انہیں EFS کے تحت ڈپوٹی اور سیلز ٹیکس کے بغیر درآمد کرنے کے قابل تھے، جس سے مقامی صنعت کار کو نقصان پہنچا۔ اس کی وجہ سے مقامی اسپنرز کی صلاحیت میں شدید کمی واقع ہوئی ہے۔ آپ کی کمپنی ان مشکلات کا مقابلہ کرنے میں کامیاب رہی، جس کے نتیجے میں مثبت نتائج برآمد ہوئے۔ موجودہ مالی سال کے آغاز میں حکومت نے EFS اسکیم کو معطل کر دیا ہے۔ یہ قدم انڈسٹری کے لیے اچھا ثابت ہو گا کیونکہ یہ انہیں برابری کا میدان فراہم کرتا ہے۔ درآمدات نہیں رکھیں گی، لیکن مالی اخراجات اور بوٹیلیٹی قیمتوں میں کمی کے پیش نظر کم از کم ہم مقابلہ کرنے کے قابل ہو جائیں گے۔ خود کے استعمال کی بجلی پیدا کرنے کے لیے گیس کی قیمتیں کئی گنا بڑھ گئی ہیں اور آپ کی کمپنی اور دیگر کو بجلی کے گرڈ سسٹم میں خامیوں کی وجہ سے اضافی قیمت ادا کرنی پڑ رہی ہے۔

کپاس کی فصل گزشتہ سال کے مقابلے زیادہ ہونے کا تخمینہ لگایا گیا اور جلد آمد حوصلہ افزاء تھی۔ تاہم بڑے پیمانے پر بارشوں اور سیلاب کی وجہ سے اس وقت کوئی درست پیشین گوئی کرنا مشکل ہے۔ چونکہ روٹی کی بین الاقوامی مارکیٹیں کم ہیں اس لیے ہمیں درآمدات کے ذریعے اپنی ضروریات پوری کرنے کے قابل ہونا چاہیے۔ لیکویڈیٹی کے سنگین مسائل

مجلس نظاماء کی رپورٹ

کمپنیاں	مالی سال 2025 کے دوران منعقدہ اجلاس
آڈٹ کمیٹی (AC)	04
ہیومن ریسورس اینڈ ریمنریشن کمیٹی (HRN&RC)	01
رسک مینجمنٹ کمیٹی (RMC)	-

چیرپرسن	آڈٹ کمیٹی	HRN&R کمیٹی	رسک مینجمنٹ کمیٹی
جناب شمس رفیع	محترمہ مابین ہشام آدم جی	جناب آصف بشیر	ممبر
جناب محمد اقبال	جناب خالد بشیر	جناب ندیم مقبول	ممبر
جناب آصف بشیر	جناب ندیم مقبول	جناب شمس رفیع	ممبر

بورڈ اور کمیٹیوں کے اجلاس:

مالی سال 2025 کے دوران، بورڈ آف ڈائریکٹرز کے پانچ (05) اجلاس ہوئے، اس کے ساتھ ساتھ اس کی کمیٹیوں کے ضروری اجلاس بھی ہوئے تاکہ سرگرمیوں سائیکل کو مکمل کیا جاسکے۔ ڈائریکٹرز کے نام اور ان اجلاسوں میں ان کی حاضری ذیل میں پیش کی گئی ہے۔

ڈائریکٹرز کے نام	AGM	EOGM	BOD	AC	HRN&R
خالد بشیر	1/1	1/1	5/5	1/1	
ندیم مقبول	1/1	1/1	5/5	1/1	
عادل بشیر	1/1	1/1	5/5		
* احسن بشیر	1/1	1/1	5/5	1/4	
آصف بشیر	1/1	1/1	5/5	4/4	
مابین ہشام آدم جی		1/1	3/5	1/1	
محمد اقبال	1/1		4/5	1/4	
شمس رفیع	1/1	1/1	5/5	4/4	

* ڈائریکٹرز کے انتخابات کے بعد، کمیٹیوں کی تشکیل نو کی گئی، اور جناب احسن بشیر آڈٹ کمیٹی کے رکن نہیں رہے۔

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ:

بورڈ کی تشخیص کا طریقہ کار CCG ریگولیشنز، 2019، اور عالمی بہترین طریقوں کے مطابق قائم کیا گیا ہے، جس سے بورڈ آف ڈائریکٹرز کمیٹی کی سینئر مینجمنٹ کو اسٹریٹجک قیادت اور نگرانی فراہم کرنے میں اس کی کارکردگی اور تاثیر کا جائزہ لے سکتے ہیں۔ بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے موزوں طریقہ کار، ابھرتے ہوئے اور سرکردہ طریقوں کی عکاسی کرتے ہوئے تیار کیے گئے ہیں۔ مزید برآں، چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر کے لیے الگ الگ تشخیصی سوالنامے تیار کیے گئے ہیں۔

ڈائریکٹرز کا معاوضہ:

بورڈ نے ڈائریکٹرز کے معاوضہ کے تعین کے لیے شفاف طریقہ کار کی حمایت یافتہ ایک باضابطہ پالیسی نافذ کی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق، کوئی بھی ڈائریکٹر اپنے مشاہرہ کے پیکیج کے تعین میں شامل نہیں ہے۔ کمپنی آزاد ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز کو کمپنیز ایکٹ 2017 کے تحت مقرر کردہ اجلاس میں شرکت کے لیے فیس کے سوائے کوئی معاوضہ ادا نہیں کرتی ہے۔ کمپنی کے معاوضہ کا فریم ورک سمجھداری کے ساتھ مسابقت کو متوازن کرنے، مروجہ صنعت کے رجحانات کے ساتھ معاوضہ کے ڈھانچے کو ہم آہنگ کرنے، کاروباری دلچسپی کے طویل عرصہ کے لیے ڈیزائن کیا گیا ہے۔

متعلقہ فریق لین دین:

تمام متعلقہ فریق لین دین، کاروبار کے عام کورس میں، اور قابل اطلاق قوانین اور ضوابط کی مکمل تعمیل میں کیے جاتے ہیں۔ مالی سال 2025 کے دوران، اس طرح کے تمام

مجلس نظماء کی رپورٹ

- داخلی کنٹرول کا نظام مستحکم ہے اور مؤثر طور پر نافذ العمل اور زیر نگرانی ہے۔
- کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- نمونہ حصص داری کا بیان اس سالانہ رپورٹ کے حصہ میں شامل ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

کمپنی SECP کی طرف سے لازمی کارپوریٹ گورننس کے اصولوں پر سختی سے عمل کرتی ہے اور اس نے تمام مقررہ شرائط پر عمل درآمد کیا ہے۔ ان کا خلاصہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کے بیان میں کیا گیا، جس کا ڈیٹر نے باقاعدہ جائزہ لیا اور اس سالانہ رپورٹ کے ہمراہ منسلک ہے۔

بورڈ کی تشکیل

سورج کاٹن ملز لمیٹڈ کا سات (7) اراکین پر مشتمل ایک بورڈ آف ڈائریکٹرز ہے، جو متنوع پس منظر، ضروری مہارتوں، بصیرت اور کمپنی کے آپریشنز سے متعلقہ مہارت کی نمائندگی کرتے ہیں۔ 30 جون 2025 تک بورڈ کی تشکیل حسب ذیل ہے۔

ڈائریکٹرز کی کل تعداد

- a) مرد 07
b) خاتون 01

نمبر شمار	کیٹگری	نام ڈائریکٹر
1	آزاد ڈائریکٹر	جناب شمس رفیع
2	نان ایگزیکٹو ڈائریکٹر	جناب خالد بشیر (چیئر مین)
3	ایگزیکٹو ڈائریکٹر	جناب ندیم مقبول (چیف ایگزیکٹو آفیسر)
		جناب آصف بشیر
		جناب محمد اقبال
		جناب احسن بشیر
		جناب عادل بشیر

ڈائریکٹرز کا انتخاب / بورڈ اور اس کی کمیٹیوں کی تشکیل:

بورڈ آف ڈائریکٹرز کا انتخاب 2025 میں ہوا۔ قانونی تقاضوں کی تعمیل میں، بورڈ نے منتخب ہونے والے ڈائریکٹرز کی تعداد سات (7) مقرر کی۔ یہ انتخابات 27 مارچ 2025 کو کمپنی کے غیر معمولی اجلاس عام (EOGM) میں منعقد ہوا۔ نتیجتاً، ریٹائر ہونے والے سات (7) ڈائریکٹرز کو 1 اپریل 2025 سے شروع ہونے والی تین (3) سال کی نئی مدت کے لیے دوبارہ منتخب کیا گیا۔ CCG ریگولیشنز، 2019 کے مطابق، بعد ازاں بورڈ کمیٹیوں کی تشکیل نو کی گئی۔ انتخاب کے بعد جناب خالد بشیر کو دوبارہ بورڈ کا چیئر پرسن، جبکہ جناب ندیم مقبول کو دوبارہ کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا۔

بورڈ کی کمیٹیاں:

مجلس نظماء نے اپنے حقیقی فرائض ادا کرنے میں مدد کے لئے مندرجہ ذیل تین (3) کمیٹیاں تشکیل دی ہیں۔ ان کمیٹیوں، ان کی رکنیت کی تفصیلات اور مالی سال 2025 کے دوران منعقدہ اجلاس حسب ذیل کے مطابق ہیں:

بورڈ آف ڈائریکٹرز نے اپنے حقیقی فرائض کی انجام دہی میں مدد کے لیے درج ذیل تین (3) کمیٹیاں تشکیل دی ہیں۔ اپنی رکنیت کی تفصیلات اور مالی سال 2025 کے دوران منعقد ہونے والے اجلاسوں کے ہمراہ یہ کمیٹیاں حسب ذیل ہیں:

مجلس نظاماء کی رپورٹ

فی شیئر آمدنی:

کمپنی کی فی شیئر آمدنی 30 جون 2025 مختتم مالی سال کے لئے 22.92 روپے رہی، جو گزشتہ سال کی 20.62 روپے کے مقابلے بہتری کی عکاسی کرتی ہے۔

ڈیویڈنڈ اور مصروفیات:

موجودہ کیپٹل اور ایکویٹی سرمایہ کاری کی منصوبہ بندی کو مد نظر رکھتے ہوئے، بورڈ نے 27 اکتوبر 2025 کو منعقد ہونے والے آئندہ سالانہ اجلاس عام میں حصص داران کی منظوری کے حوالہ سے 5 روپے فی شیئر حتمی نقد منافع منقسمہ تجویز کیا ہے۔

رہسک مینجمنٹ / ماحولیات:

کمپنی کو مختلف قسم کے خطرات لاحق ہیں اور تخفیفی حکمت عملیوں کے ساتھ خلاصہ مندرجہ ذیل ہے:

اسٹریٹجک خطرات:

کمپنی کو اپنے آپریشنز کے دوران مختلف اسٹریٹجک خطرات کا سامنا ہے۔ ان میں سے چند ایک خطرات میں یوٹیلیٹی کی قیمتیں اور انرجی کس، مالیاتی چارجز، اور دونوں ملکی و بین الاقوامی منڈیوں میں طلب شامل ہیں۔ انتظامیہ اور رہسک کمیٹی کی طرف سے ان کی مسلسل نگرانی کی جارہی ہے تاکہ اس کو اور کسی بھی منفی اثرات کو کم کرنے کے لیے بروقت مداخلت کی جاسکے۔ یہ نگرانی ترقی کے اہداف اور توسیعی منصوبوں کے بارے فیصلے کرنے میں ہماری مدد کرتی ہے۔

آپریشنل رہسک:

کاروباری تسلسل اور تباہی کی بحالی کے منصوبے زیر عمل ہیں تاکہ پیداوار اور فروخت کے کاموں میں تسلسل کو یقینی بنایا جاسکے، اہم ناکامیوں اور بندش کی صورت میں تسلسل، استحکام اور کاروبار میں کسی قسم کی رکاوٹ سے بچنے کو یقینی بنانا۔ خام مال کی سوریسنگ، فرائض کی مناسب تفریق، ہمارے پلانٹوں میں بجلی کی پیداوار میں خود کفالت، مؤثر سپلائی چین اور لاجسٹک آپریشنوں نے ہمیں قابل قبول سطح پر آپریشنل رہسک کو کم کرنے میں مدد فراہم کی ہے۔

مالی خطرات:

انتظامیہ کمپنی کے مالی خطرات کو کم سے کم کرنے کی کوشش کرتی ہے، جو شرح مبادلہ کی نقل و حرکت، مختلف دستیاب ٹولز کے ذریعے اور سخت مالی نظم و ضبط کی وجہ سے پیدا ہو سکتے ہیں۔

تعمیل کے خطرات:

قوانین اور ضوابط کی مؤثر تعمیل اور شفاف مالیاتی رپورٹنگ فریم ورک کی وجہ سے، کمپنی کو درپیش تعمیل کے خطرہ کو کم کیا گیا ہے۔ بورڈ کمپنی میں رہسک مینجمنٹ اور تعمیل کے کلچر کو فروغ دیتا ہے۔ کمپنی کے خلاف اہم مقدمات میں ملوث قانونی چارہ جوئی کے خطرات کو جہاں بھی ضرورت ہو خصوصی ماہر معروف لاء فرموں کے ذریعہ ہینڈل کیا جاتا ہے۔

کوڈ آف کارپوریٹ گورننس:

آپ کی کمپنی کے ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور پاکستان سٹاک ایکسچینج کی رول بک کے تحت اپنی ذمہ داریوں سے آگاہ ہیں کمپنی نے اچھے کارپوریٹ گورننس اور کوڈ کی تعمیل کو یقینی بنانے کے لئے تمام ضروری اقدامات اٹھائے ہیں۔

اور ڈائریکٹرز توثیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

مجلس نظماء کی رپورٹ

مجلس نظماء کی جانب سے، میں 30 جون 2025ء محنتیہ سال کے لئے کمپنی کی کاروباری اور مالیاتی کارکردگی پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔
جائزہ:

زیر جائزہ سال نے کاروبار کرنے کی زیادہ لاگت کی وجہ سے پاکستان میں بڑے پیمانے پر مینوفیکچرنگ میں کمی دیکھی گئی ہے۔ ٹیکسٹائل سیکٹر، خاص طور پر سپنگ اور پونگ، یوٹیلیٹی کی بڑھتی ہوئی لاگت، فنانسنگ کی زیادہ لاگت، اور دیگر پیداواری اخراجات کی وجہ سے بڑی طرح متاثر ہوئے۔ اس کے علاوہ، درآمد شدہ یارن اور، کسی حد تک، گرتج فیبرکس نے سیز ٹیکس نظام میں بے ضابطگیوں کی وجہ سے مقامی صنعت کی اخراجات پر مارکیٹ شیئر حاصل کیا۔ ان تمام عوامل کی وجہ سے سپنگ کیسٹس بند ہو گئی، اور آپ کی کمپنی نے اپنا پرانا پلانٹ بھی بند کر دیا۔ منفی کاروباری ماحول کے باوجود، آپ کی کمپنی نے اچھی کارکردگی کا مظاہرہ کیا ہے اور 22.92 روپے (2024: 20.62 روپے) فی حصص آمدنی کے ساتھ 1.118 بلین روپے کے منافع کا اعلان کیا ہے۔

کاروباری کارکردگی:

زیر جائزہ سال کے دوران کمپنی نے 27.411 بلین روپے کی آمدنی حاصل کی، جو کہ گزشتہ اسی مدت سے 7.84% کی کمی ہے۔

مالیاتی کارکردگی ایک نظر میں:

30 جون 2025 محنتیہ مالیاتی سال کے لئے کمپنی کی مالیاتی کارکردگی کا گزشتہ سال سے موازنہ مندرجہ ذیل ہے:-

آمدنی کی تفصیل	2025	2024	فیصد تبدیلی
پاکستانی روپے ملین میں			
فروخت	27,411	29,744	-7.84%
مجموعی منافع	2,287	2,396	-4.55%
آپریٹنگ منافع	2,200	2,381	-7.60%
مالی لاگت	189	407	-53.56%
ٹیکس سے قبل منافع/(نقصان)	2010	1,973	1.88%
ٹیکسیشن	891	967	-7.86%
خالص منافع/(نقصان)	1,118	1,006	11.15%
فی شیئر آمدنی (EPS)	22.92	20.62	11.16%

مجموعی منافع:

آپ کی کمپنی نے زیر جائزہ مالی سال کے لیے 8.34% کا مجموعی منافع مارجن حاصل کیا ہے جبکہ گزشتہ سال 8.06% حاصل کیا تھا، یہ اضافہ بنیادی طور پر تیار مصنوعات کی قیمتوں میں اضافہ اور دانشمندانہ مالی انتظامات سے منسوب ہے۔

آپریٹنگ اخراجات:

زیر جائزہ سال کے لیے، کم فروخت حجم کی وجہ سے تقسیم کے اخراجات میں تقریباً 6.5 فیصد تک کمی ہوئی۔ لاگت پر سخت کنٹرول کی وجہ سے انتظامی اخراجات میں تقریباً 4.5 فیصد کمی واقع ہوئی۔

مالیاتی لاگت:

پالیسی شرح میں کمی کی وجہ سے اس مدت کے لیے مالیاتی چارجز میں نمایاں کمی واقع ہوئی۔ سال کے دوران، SBP نے کم افراط زر کی وجہ سے پالیسی شرح کو کم کرنا شروع کر دیا ہے اور اس کے نتیجے میں ہمارے مالیاتی اخراجات میں نمایاں کمی آئی ہے۔

آپ کی کمپنی نے رواں مالی سال کے دوران 2,010 ملین روپے قبل از ٹیکس منافع درج کیا جبکہ گزشتہ سال 1,973 ملین روپے ہوا تھا۔ اسی طرح کمپنی کو 1,118 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا جبکہ گزشتہ سال 1,006 ملین روپے ہوا تھا۔

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

Name of Company: Suraj Cotton Mills Limited
Year ended: June 30, 2025

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are eight (8) as per the following:

a	Male:	07
b	Female:	01

2. The composition of the Board is as follows:

Category	Names
1 Independent Directors	Mr. Shams Rafi Ms. Maheen Hisham Adamjee (Female Director)
2 Non-Executive Directors	Mr. Khalid Bashir (Chairman) Mr. Asif Bashir Mr. Mohammad Iqbal
3 Executive Directors	Mr. Nadeem Maqbool (Chief Executive Officer) Mr. Ahsan Bashir Mr. Adil Bashir

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating, is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director

elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. Following Director has attained the directors training program certification:

- Ms. Maheen Hisham Adamjee

Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Names of Directors

Mr. Khalid Bashir
 Mr. Asif Bashir
 Mr. Mohammad Iqbal
 Mr. Nadeem Maqbool
 Mr. Ahsan Bashir
 Mr. Adil Bashir
 Mr. Shams Rafi

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations; Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

a) Audit Committee

Names	Designation held
Mr. Shams Rafi	Chairman
Mr. Mohammad Iqbal	Member
Mr. Asif Bashir	Member

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

b) HR Nomination and Remuneration Committee

Names	Designation held
Ms. Maheen Hisham Adamjee	Chairperson
Mr. Khalid Bashir	Member
Mr. Nadeem Maqbool	Member

c) Risk Management Committee

Names	Designation held
Mr. Asif Bashir	Chairman
Mr. Nadeem Maqbool	Member
Mr. Shams Rafi	Member

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
13. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended 30 June 2025.

b) HR Nomination and Remuneration Committee

One meeting of HR Nomination and Remuneration Committee was held during the financial year ended 30 June 2025.

c) Risk Management Committee

No meeting of Risk Management Committee was held during the financial year ended 30 June 2025.

14. The board has set up an effective internal audit

function by appointing Head of Internal Audit and has outsourced the internal audit function to M/s BDO Ebrahim & Co. Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company; The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
17. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
18. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 are below:

S. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute separate nomination committee in future.	29

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

S. No.	Requirement	Explanation of Non-Compliance	Regulation Number
2	Directors' Training Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from July 2020.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute separate nomination committee after next election of directors.	19(3)
3	Directors' Training Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company plans to arrange a Directors' Training Program certification for heads of department in the next few years.	19(3)
4	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
5	Significant policies The Board is required to approve an anti-harassment policy to safeguard the rights and well-being of employees.	The Securities and Exchange Commission of Pakistan (SECP) amended Regulation 10 of the Regulations on 12 June 2024. In response, the HR Committee has approved the relevant policy and recommended it to the Board for final approval. Compliance, as applicable, will be ensured in due course.	10(4)(xvi)
6	Role of the Board and its members to address Sustainability Risks and Opportunities The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities, and targets to create long-term corporate value.	The Securities and Exchange Commission of Pakistan (SECP) introduced a new Regulation 10A in the Regulations on 12 June 2024. The implications of this amendment are currently under review by management. Compliance, where applicable, will be ensured in due course.	10(A)
7	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
8	Representation of Minority shareholders The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No nomination was received to contest election as director representing minority shareholders.	5

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

20. Executive directors, including the chief executive officer on the Board, are three out of the total eight directors. One third of the Board, i.e., 2.67, has been rounded up to 3 directors as the manufacturing units of the Company are geographically spread and the Company needs executive directors for effective management of operations.
21. The two elected independent directors have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence appointment of a third independent director is not warranted.



(KHALID BASHIR)

Chairman

September 26, 2025

Lahore

The Companies ACT, 2017

Pursuant to Section 227(2)(f) of the Companies Act, 2017, read with Regulation 30 of the Companies Regulations, 2024

Pattern of Shareholding

PART-I

1.1 Name of The Company **Suraj Cotton Mills Limited**

Part-II

2.1 Pattern of Holding of the Shares held by the Shareholders as at: June 30, 2025

2.2

No. of Shareholders	Shareholding		Total Shares held
	From	To	
218	1	100	5,819
233	101	500	65,675
142	501	1,000	108,525
175	1,001	5,000	383,207
39	5,001	10,000	289,135
22	10,001	15,000	270,125
7	15,001	20,000	119,993
5	20,001	25,000	113,018
5	25,001	30,000	136,827
6	30,001	35,000	195,168
2	35,001	40,000	77,526
6	40,001	45,000	255,809
1	45,001	50,000	45,342
1	50,001	55,000	52,200
1	60,001	65,000	60,451
1	65,001	70,000	68,794
1	85,001	90,000	88,044
1	90,001	95,000	90,181
3	95,001	100,000	296,567
2	105,001	110,000	215,418
1	125,001	130,000	127,696
1	130,001	135,000	131,450
1	190,001	195,000	192,584
1	200,001	205,000	203,914
1	210,001	215,000	212,132
1	240,001	245,000	244,420
1	285,001	290,000	289,111
1	355,001	360,000	359,691
2	395,001	400,000	796,707
1	480,001	485,000	483,365
1	485,001	490,000	486,186
1	975,001	980,000	978,821
1	1,045,001	1,050,000	1,048,439
1	1,365,001	1,370,000	1,368,017
1	1,470,001	1,475,000	1,474,562
1	1,545,001	1,550,000	1,545,887
1	1,625,001	1,630,000	1,626,707
1	1,845,001	1,850,000	1,848,689
1	2,310,001	2,315,000	2,314,393
1	2,975,001	2,980,000	2,978,865
1	3,505,001	3,510,000	3,505,186
1	3,625,001	3,630,000	3,629,413
1	20,025,001	20,030,000	20,025,456
895			48,809,515

Information Required As Per Code Of Corporate Governance

As At June 30, 2025

Categories of Shareholders	Total	Percentage
Directors, Chief Executive Officer, Their Spouses and Minor Children		
Nadeem Maqbool	212,132	0.43%
Directors		
Mr. Khalid Bashir	2,320,393	4.75%
Mr. Ahsan Bashir	2,978,865	6.10%
Mr. Adil Bashir	3,505,186	7.18%
Mr. Muhammad Iqbal	244,420	0.05%
Mr. Asif Bashir	289,111	0.59%
Mr. Shams Rafi	40,670	0.08%
Mrs. Maheen Hisham Adamjee	20	0.00%
Director's Spouses and Their Minor Children		
Begum Tanveer Khalid Bashir	1,474,562	3.02%
Mrs. Humera Iqbal	3,629,413	7.44%
Mrs. Nazia Maqbool	28,848	0.06%
Amna Asif Bashir	52,200	0.11%
	14,775,820	30.27%
Associated Companies, Undertakings & Related Parties		
Crescent Powertec Limited	21,571,343	44.19%
Premier Insurance Limited	1,626,707	3.33%
	23,198,050	47.53%
NIT & ICP (Name Wise Detail)		
National Bank of Pakistan - Trustee Department	668	0.00%
CDC - Trustee National Investment (Unit) Trust	3,952	0.01%
CDC - Trustee National Investment (Unit) Trust	1,048,439	2.15%
	1,053,059	2.16%
Banks, NBFCs, DFIs, Takaful, Pension Funds	265	0.00%
Modarabas	17	0.00%
Insurance Companies	3,504,624	7.18%
Other Companies, Corporate Bodies, Trusts, etc.	5,950,921	12.19%
General Public	6,536,368	13.39%
Total	48,809,515	100.00%

Name	No. of Shares	Nature of Transaction
Detail of Purchase/sale of Shares by Directors/CEO/Company Secretary/CFO and their Spouses/Minor Children during FY 2025		
Mr. Khalid Bashir (Non-Executive Director)	54,913	Buy
Mr. Ahsan Bashir (Executive Director)	100,000	Buy
Mr. Nadeem Maqbool (Chief Executive)	25,000	Buy
Mrs. Maheen Hisham Adamjee (Independent Director)	20	Buy
Mrs. Maheen Hisham Adamjee (Independent Director)	4552	Sell

Performance Indicators

For the current and past five financial years

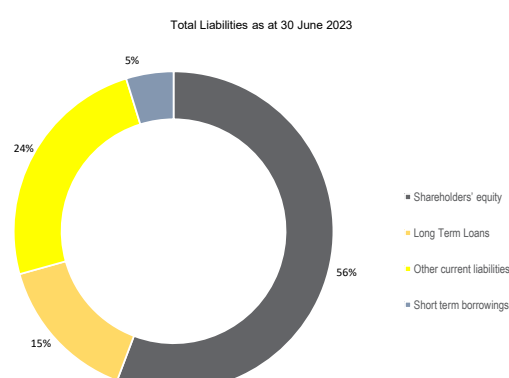
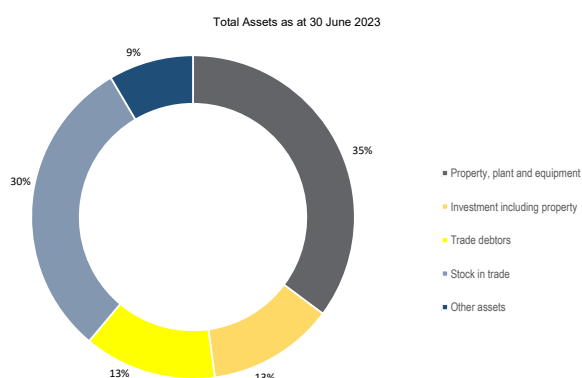
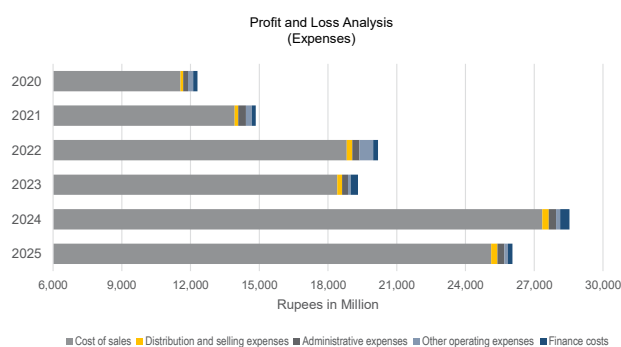
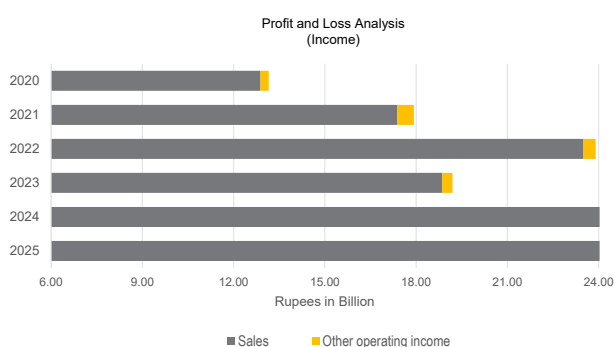
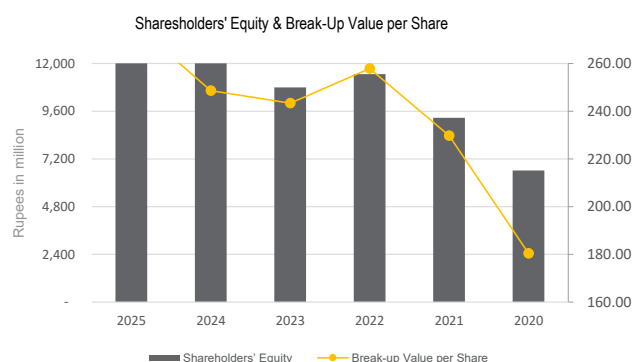
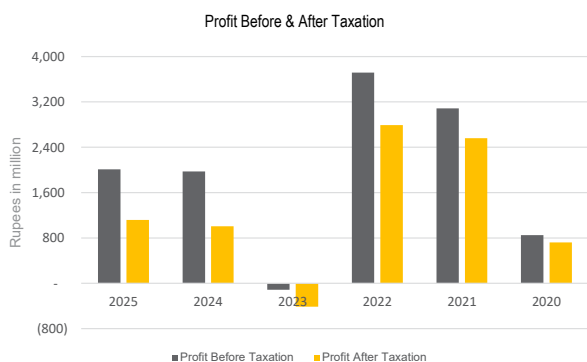
		2025	2024	2023	2022	2021	2020
A Profitability Ratios							
Gross profit ratio	(%)	8.3	8.1	2.4	19.9	19.8	10.3
Operating profit margin to sales	(%)	8.0	8.0	1.1	16.7	18.7	8.1
Net profit margin to sales (net)	(%)	4.1	3.4	(2.2)	11.9	14.7	5.6
Return on average equity	(%)	8.7	8.8	(3.7)	26.9	32.2	12.5
Return on capital employed	(%)	13.7	15.7	1.4	26.4	27.4	11.4
Return on average assets	(%)	4.7	4.6	(2.0)	15.3	17.8	7.3
B Liquidity Ratios							
Current ratio	(times)	2.7	2.6	2.5	2.9	2.8	1.9
Quick ratio	(times)	1.3	1.4	1.1	1.4	1.8	0.9
C Activity / Turnover Ratios							
Debtors turnover ratio	(times)	9.2	10.3	6.7	11.6	14.4	18.3
No. of days in receivables / Average collection period	(days)	39.8	35.6	54.7	31.4	25.4	19.9
Inventory turnover ratio	(times)	3.8	4.6	3.1	4.0	4.0	4.9
No. of days in inventory	(days)	97.0	78.6	118.8	90.9	90.7	74.3
Creditors turnover ratio	(times)	5.0	5.8	4.5	6.7	4.4	4.3
No. of days in creditors / Average payment period	(days)	72.7	63.3	81.6	54.6	82.3	85.0
Total assets turnover	(times)	1.2	1.4	0.9	1.3	1.2	1.3
D Investment / Market Ratios							
Earnings per share	(Rs.)	22.9	20.6	(9.3)	62.9	63.4	19.6
Price earnings ratio	(times)	5.1	6.5	(11.8)	3.4	3.8	8.4
Cash dividend per share	(Rs.)	-	5.0	1.0	4.0	10.0	4.0
Stock dividend / Bonus shares	(%)	-	-	10.0	-	10.0	10.0
Break-up value per share	(Rs.)	277.5	248.6	243.3	257.9	229.8	180.4
E Market value per share							
Closing	(Rs.)	117.9	133.2	110.1	215.0	239.9	165.0
High	(Rs.)	150.0	157.3	215.0	268.0	254.0	185.0
Low	(Rs.)	106.0	88.0	84.8	201.2	143.0	108.0
F Capital Structure Ratios							
Debt equity ratio		21:79	25:75	23:77	22:78	27:73	29:71
Total liabilities to total assets	(%)	44.24	46.89	49.01	44.54	41.08	49.15

Key Operating and Financial Data

For the current and past five financial years

SUMMARIZED FINANCIAL DATA	2025	2024	2023	2022	2021	2020
-----PKR in '000'-----						
A Summary of Profit and Loss Account						
Sales - net	27,411,458	29,744,290	18,860,335	23,500,659	17,374,800	12,882,572
Cost of sales	25,124,439	27,348,126	18,402,367	18,816,100	13,927,861	11,561,798
Gross profit	2,287,019	2,396,164	457,968	4,684,559	3,446,939	1,320,774
Distribution and selling expenses	268,136	286,940	209,728	240,476	155,936	119,088
Administrative expenses	303,983	317,828	260,627	311,233	331,791	204,325
Other operating expenses	159,789	179,684	115,083	601,664	261,179	226,241
Other operating income	645,324	769,127	332,030	401,703	553,232	271,003
Operating profit before finance costs	2,200,435	2,380,839	204,560	3,932,889	3,251,265	1,042,123
Share of loss from joint ventures	-	-	-	-	-	(1,359)
Finance costs	189,894	407,343	319,866	213,906	165,182	189,563
Profit before taxation	2,010,541	1,973,496	(115,306)	3,718,983	3,086,083	851,201
Taxation - net	891,858	967,078	296,972	928,452	527,562	131,652
Net income	1,118,683	1,006,418	(412,278)	2,790,531	2,558,521	719,549
B Summary of Balance Sheet						
Property, plant and equipment	8,546,997	8,462,115	9,119,661	7,832,040	5,572,818	5,011,641
Stock-in-trade	7,389,621	5,964,697	5,819,052	6,164,550	3,203,682	3,718,268
Trade debts	3,220,558	2,756,220	3,046,691	2,604,817	1,439,847	974,012
Trade and other payables	3,836,359	3,788,364	3,279,900	3,013,743	2,206,833	2,270,877
Current assets	13,773,544	12,841,778	10,911,939	11,535,417	8,662,469	7,117,734
Total assets	24,294,152	22,846,953	21,177,055	20,665,526	15,730,546	13,011,465
Reserves	13,057,701	11,646,918	10,353,692	10,999,558	8,864,618	6,249,900
Shareholders' equity	13,545,795	12,135,012	10,797,414	11,443,280	9,268,002	6,616,613
Long term financing	2,470,692	3,061,792	3,545,300	3,455,552	2,596,566	2,533,850
Deferred liabilities	1,586,297	1,253,030	918,687	710,377	396,510	209,633
Short term financing	1,164,739	977,007	1,226,258	726,496	429,454	1,278,365
Current liabilities	5,036,929	4,992,347	4,447,557	3,972,681	3,040,014	3,651,369
C Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	378,804	142,567	420,735	282,975	207,139	433,938
Net cash (used in) /generated from operating activities	(324,279)	1,917,421	(439,637)	28,925	3,419,448	618,688
Net cash used in investing activities	881,853	(789,673)	(678,966)	(1,052,560)	(2,883,184)	(1,012,956)
Net cash (used in) / generated from financing activities	(772,937)	(891,511)	840,435	1,161,395	(460,428)	167,469
Net increase / (decrease) in cash and cash equivalents	(215,363)	236,237	(278,168)	137,760	75,836	(226,799)
Cash and cash equivalents at the end of the year	163,441	378,804	142,567	420,735	282,975	207,139
D Other Data						
Depreciation and amortization	781,609	804,504	667,282	587,082	464,109	499,630
Capital expenditure	894,942	150,279	1,986,020	2,889,142	1,044,886	183,214
No. of ordinary shares (no. of shares in millions)	48,809	48,809	44,372	44,372	40,338	36,671

Graphical Representation



Vertical Analysis

For the current and past five financial years

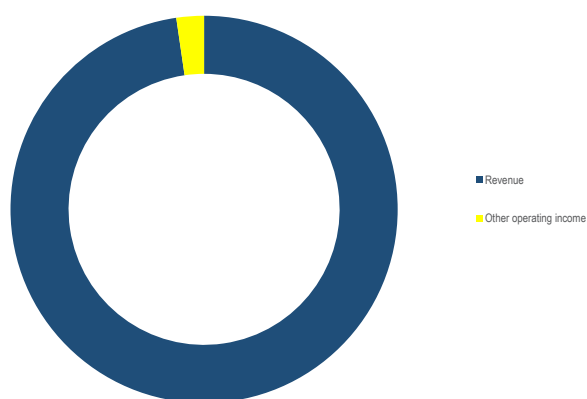
	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
-----PKR in '000'-----												
Statement of Financial Position												
Property, plant and equipment	8,546,997	35.2	8,462,115	37.0	9,119,661	43.1	7,832,040	37.9	5,572,818	35.4	5,011,641	38.5
Investment property	472,690	1.9	472,690	2.1	477,690	2.3	477,690	2.3	477,690	3.0	100,000	0.8
Long term deposits	129,284	0.5	19,067	0.1	19,737	0.1	22,076	0.1	22,076	0.1	21,871	0.2
Long term investments	1,364,971	5.6	1,028,838	4.5	625,563	3.0	772,151	3.7	971,627	6.2	746,027	5.7
Stores, spares and loose tools	567,742	2.3	653,026	2.9	469,843	2.2	257,298	1.2	218,925	1.4	203,642	1.6
Stock-in-trade	7,389,621	30.4	5,964,697	26.1	5,819,052	27.5	6,164,550	29.8	3,203,682	20.4	3,718,268	28.6
Trade debts	3,220,558	13.3	2,756,220	12.1	3,046,691	14.4	2,604,817	12.6	1,439,847	9.2	974,012	7.5
Loan and advances	144,171	0.6	169,288	0.7	108,240	0.5	76,638	0.4	39,972	0.3	55,137	0.4
Short term deposits and prepayments	81,194	0.3	78,283	0.3	238,478	1.1	171,760	0.8	105,614	0.7	74,125	0.6
Income tax refundable - net	-	-	-	-	-	-	-	-	137,167	0.9	537,190	4.1
Other receivables	968,188	4.0	746,615	3.3	485,557	2.3	216,571	1.0	23,018	0.1	29,624	0.2
Short term investments	1,238,626	5.1	2,094,845	9.2	601,511	2.8	1,623,048	7.9	3,211,269	20.4	1,318,597	10.1
Cash and bank balances	163,444	0.7	378,804	1.7	142,567	0.7	420,735	2.0	282,975	1.8	207,139	1.6
Assets held for sale	6,666	0.0	22,465	0.1	22,465	0.1	26,152	0.1	23,866	0.2	14,192	0.1
Total Assets	24,294,152	100.0	22,846,953	100.0	21,177,055	100.0	20,665,526	100.0	15,730,546	100.0	13,011,465	100.0
Issued, subscribed and paid up share capital	488,094	2.0	488,094	2.1	443,722	2.1	443,722	2.1	403,384	2.6	366,713	2.8
Revenue reserves	13,057,701	53.7	11,646,918	51.0	10,353,692	48.9	11,016,711	53.3	8,864,618	56.4	6,249,900	48.0
Shareholders' Equity	13,545,795	55.8	12,135,012	53.1	10,797,414	51.0	11,460,433	55.5	9,268,002	58.9	6,616,613	50.9
Long term loan	2,470,692	10.2	3,061,792	13.4	3,545,300	16.7	3,455,003	16.7	2,595,380	16.5	2,533,850	19.5
Liabilities against assets subject to finance lease	-	-	-	-	-	-	549	0.0	1,186	0.0	-	-
Deferred liabilities	1,586,297	6.5	1,253,030	5.5	918,687	4.3	710,377	3.4	396,510	2.5	209,633	1.6
Trade and other payables	3,836,359	15.8	3,788,364	16.6	3,279,900	15.5	3,013,743	14.6	2,206,833	14.0	2,270,877	17.5
Mark-up accrued	38,841	0.2	58,277	0.3	71,949	0.3	31,378	0.2	26,293	0.2	38,592	0.3
Unclaimed dividends	8,577	0.0	7,313	0.0	7,313	0.0	7,313	0.0	6,387	0.0	6,731	0.1
Short term borrowings	1,164,739	4.8	977,007	4.3	1,226,258	5.8	726,496	3.5	429,454	2.7	1,278,365	9.8
Current portion of long term liabilities	1,153,152	4.7	1,138,393	5.0	1,088,395	5.1	920,247	4.5	800,501	5.1	56,804	0.4
Provision for taxation - net	489,700	2.0	427,765	1.9	241,839	1.1	339,987	1.6	-	-	-	-
Total Equity and Liabilities	24,294,152	100.0	22,846,953	100.0	21,177,055	100.0	20,665,526	100.0	15,730,546	100.0	13,011,465	100.0
Statement of Profit or Loss												
Sales - net	27,411,458	100.0	29,744,290	100.0	18,860,335	100.0	23,500,659	100.0	17,374,800	100.0	12,882,572	100.0
Cost of sales	25,124,439	91.7	27,348,126	91.9	18,402,367	97.6	18,816,100	80.1	13,927,861	80.2	11,561,798	89.7
Gross profit	2,287,019	8.3	2,396,164	8.1	457,968	2.4	4,684,559	19.9	3,446,939	19.8	1,320,774	10.3
Distribution and selling expenses	268,136	1.0	286,940	1.0	209,728	1.1	240,476	1.0	155,936	0.9	119,088	0.9
Administrative expenses	303,983	1.1	317,828	1.1	260,627	1.4	311,233	1.3	331,791	1.9	204,325	1.6
Other operating expenses	159,789	0.6	179,684	0.6	115,083	0.6	601,664	2.6	261,179	1.5	226,241	1.8
Other operating income	645,324	2.4	769,127	2.6	332,030	1.8	401,703	1.7	553,232	3.2	271,003	2.1
Operating profit / (loss) before finance costs	2,200,435	8.0	2,380,839	8.0	204,560	1.1	3,932,889	16.7	3,251,265	18.7	1,042,123	8.1
Finance costs	189,894	0.7	407,343	1.4	319,866	1.7	213,906	0.9	165,182	1.0	189,563	1.5
Profit / (loss) before taxation	2,010,541	7.3	1,973,496	6.6	(115,306)	-0.6	3,718,983	15.8	3,086,083	17.8	851,201	6.6
Taxation - net	891,858	3.3	967,078	3.3	296,972	1.6	928,452	4.0	527,562	3.0	131,652	1.0
Profit / (loss) after taxation	1,118,683	4.1	1,006,418	3.4	(412,278)	-2.2	2,790,531	11.9	2,558,521	14.7	719,549	5.6

Statement of Wealth Generation & Distribution

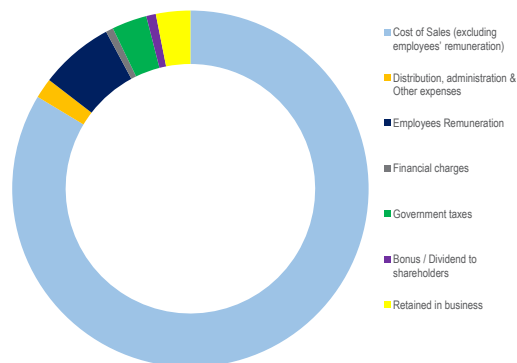
For the year ended 30 June, 2025

Wealth Generation & Distribution	2025		2024		2023		2022		2021		2020	
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%
Wealth Generated												
Revenue	27,411,458	97.7	29,744,290	97.5	18,860,335	98.3	23,500,659	98.3	17,374,800	96.9	12,882,572	97.9
Other operating income	645,324	2.3	769,127	2.5	332,030	1.7	401,703	1.7	553,232	3.1	271,003	2.1
Total Wealth Generated	28,056,782	100.00	30,513,417	100.00	19,192,365	100.00	23,902,362	100.00	17,928,032	100.00	13,153,575	100.00
Distribution of wealth												
Cost of Sales (excluding employees' remuneration)	23,460,089	83.6	25,867,178	84.8	17,399,281	90.7	17,626,406	73.7	12,962,980	72.3	10,648,714	81.0
Distribution, administration & Other expenses	511,989	1.8	604,462	2.0	427,376	2.2	1,006,669	4.2	622,427	3.5	428,655	3.3
Employees Remuneration	1,884,269	6.7	1,660,938	5.4	1,161,148	6.1	1,336,398	5.6	1,091,360	6.1	1,034,083	7.9
Financial charges	189,894	0.7	407,343	1.3	319,866	1.7	213,906	0.9	165,182	0.9	189,563	1.4
Government taxes	891,858	3.2	967,078	3.2	296,972	1.5	928,452	3.9	527,562	2.9	131,652	1.0
Bonus / Dividend to shareholders	244,084	0.9	88,744	0.3	177,489	0.9	443,722	1.9	183,356	1.0	183,357	1.4
Retained in business	874,599	3.1	917,674	3.0	(589,767)	(3.1)	2,346,809	9.8	2,375,165	13.2	537,551	4.1
Total Wealth Distributed	28,056,782	100.00	30,513,417	100.00	19,192,365	100.00	23,902,362	100.00	17,928,032	100.00	13,153,575	100.00

Modes of Wealth Generation in FY 2024-25



Modes of Wealth Distribution in FY 2024-25



Six Years at a Glance

As at 30 June 2025

Vertical Analysis	2025		2024		2023		2022		2021		2020	
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%
Property, plant and equipment	8,546,997	35.2	8,462,115	37.0	9,119,661	43.1	7,832,040	37.9	5,572,818	35.4	5,011,641	38.5
Investments including investment property	1,837,661	7.6	1,501,528	6.6	1,103,253	5.2	1,249,841	6.0	1,449,317	9.2	846,027	6.5
Other non current assets	129,284	0.5	19,067	0.1	19,737	0.1	22,076	0.1	22,076	0.1	21,871	0.2
Current assets	13,780,210	56.7	12,864,243	56.3	10,934,404	51.6	11,561,569	55.9	8,686,335	55.2	7,131,926	54.8
Total Assets	24,294,152	100.00	22,846,953	100.00	21,177,055	100.00	20,665,526	100.00	15,730,546	100.00	13,011,465	100.00
Shareholders' equity	13,545,795	55.8	12,135,012	53.1	10,797,414	51.0	11,460,433	55.5	9,268,002	58.9	6,616,613	50.9
Long-term debt (excluding current maturity)	2,470,692	10.2	3,061,792	13.4	3,545,300	16.7	3,455,552	16.7	2,596,566	16.5	2,533,850	19.5
Deferred taxation and income	1,586,297	6.5	1,253,030	5.5	918,687	4.3	710,377	3.4	396,510	2.5	209,633	1.6
Short-term debt (including current maturity of long-term debt)	2,317,891	9.5	2,115,400	9.3	2,314,653	10.9	1,646,743	8.0	1,229,955	7.8	1,335,169	10.3
Other current liabilities	4,373,477	18.0	4,281,719	18.7	3,601,001	17.0	3,392,421	16.4	2,239,513	14.2	2,316,200	17.8
Total Equity and Liabilities	24,294,152	100.00	22,846,953	100.00	21,177,055	100.00	20,665,526	100.00	15,730,546	100.00	13,011,465	100.00

Horizontal Analysis	2025		2024		2023		2022		2021		2020	
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%
Property, plant and equipment	8,546,997	1.0	8,462,115	(7.2)	9,119,661	16.4	7,832,040	40.5	5,572,818	11.2	5,011,641	(6.3)
Investments including investment property	1,837,661	22.4	1,501,528	36.1	1,103,253	(11.7)	1,249,841	(13.8)	1,449,317	71.3	846,027	(8.2)
Other non current assets	129,284	578.1	19,067	(3.4)	19,737	(10.6)	22,076	-	22,076	0.9	21,871	10.0
Current assets	13,780,210	7.1	12,864,243	17.6	10,934,404	(5.4)	11,561,569	33.1	8,686,335	21.8	7,131,926	29.7
Total Assets	24,294,152	6.33	22,846,953	7.89	21,177,055	2.48	20,665,526	31.37	15,730,546	20.90	13,011,465	10.37
Shareholders' equity	13,545,795	11.6	12,135,012	12.4	10,797,414	(5.8)	11,460,433	23.7	9,268,002	40.1	6,616,613	9.0
Long-term debt (excluding current maturity)	2,470,692	(19.3)	3,061,792	(13.6)	3,545,300	2.6	3,455,552	33.1	2,596,566	2.5	2,533,850	2.4
Deferred taxation and income	1,586,297	26.6	1,253,030	36.4	918,687	29.3	710,377	79.2	396,510	89.1	209,633	(24.5)
Short-term debt (including current maturity of long-term debt)	2,317,891	9.6	2,115,400	(8.6)	2,314,653	40.6	1,646,743	33.9	1,229,955	(7.9)	1,335,169	27.6
Other current liabilities	4,373,477	2.1	4,281,719	18.9	3,601,001	6.1	3,392,421	51.5	2,239,513	(3.3)	2,316,200	20.6
Total Equity and Liabilities	24,294,152	6.33	22,846,953	7.89	21,177,055	2.48	20,665,526	31.37	15,730,546	20.90	13,011,465	10.37

Key Points:

Increase in shareholder's equity is due to profit for the year . Decrease in non-current liabilities is due to repayment during the year.

Decrease in short term debts is normal due to repayment of loan.

Decrease in Property, plant and equipment is due to charge of depreciation for the year.

Increase in Investments including investment property is mainly due to fair market value adjustment in equity investment.

Increase in current assets is due to increase in AMC investment.

FINANCIAL STATEMENTS

For the year ended 30 June 2025



Independent Auditor's Modified Review Report

To the members of Suraj Cotton Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Suraj Cotton Mills Limited (the Company) for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instance of non-compliance with the requirement of the Regulations was observed which is not stated in the Statement of Compliance:

- (i) Composition of the audit committee is not as per the requirements of the regulation 27(1) of the Regulations as one of the members of the audit committee is executive director and except for him other members of the audit committee do not fall under the definition of "financially literate".

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.



RIAZ AHMAD & COMPANY
Chartered Accountants

September 27, 2025
Lahore

UDIN: CR202510158xmVidwOn

Independent Auditors' Report

To the members of Suraj Cotton Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Suraj Cotton Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Inventory existence and valuation	
As at 30 June 2025, inventory is stated at Rupees 7,957.363 million, breakup of which is as follows: -Stores, spare parts and loose tools Rupees 567.742 million; -Stock-in-trade Rupees 7,389.621 million. Inventory is measured at the lower of cost and net realizable value.	Our procedures over existence and valuation of inventory included, but were not limited to: - To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. - For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

Independent Auditors' Report

Key audit matters	How the matter was addressed in our audit
We identified existence and valuation of inventory as a key audit matter due to its size, representing 32.75% of total assets of the Company as at 30 June 2025, and the judgment involved in valuation. For further information on inventory, refer to the following: - Material accounting policy information, Inventories note 2.16 to the financial statements. - Stores, spare parts and loose tools note 18 and Stock-in-trade note 19 to the financial statements.	• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
2. Revenue recognition	
The Company recognized net revenue of Rupees 27,411.458 million for the year ended 30 June 2025. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: -Material accounting policy information, Revenue recognition note 2.20 to the financial statements. -Revenue from contracts with customers note 27 to the financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements. • IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Independent Auditors' Report

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

Independent Auditors' Report

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

September 27, 2025

Lahore

UDIN: AR202510158Zo8jRuXhb

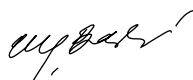
Statement of Financial Position

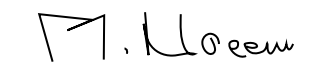
as at 30 June 2025

	Note	2025 (Rupees in thousand)	2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2024: 100,000,000)			
ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital	4	488,094	488,094
Reserves	5	13,057,701	11,646,918
Total equity		13,545,795	12,135,012
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	2,470,692	3,061,792
Deferred liabilities	7	1,586,297	1,253,030
		4,056,989	4,314,822
CURRENT LIABILITIES			
Trade and other payables	8	3,836,359	3,788,364
Accrued mark-up	9	38,841	58,277
Short term borrowings	10	1,164,739	977,007
Current portion of non-current liabilities	11	1,153,152	1,138,393
Provision for taxation and levy - net	12	489,700	427,765
Unclaimed dividend		8,577	7,313
		6,691,368	6,397,119
TOTAL LIABILITIES		10,748,357	10,711,941
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		24,294,152	22,846,953

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

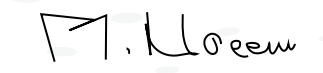
Statement of Financial Position

as at 30 June 2025

	Note	2025 (Rupees in thousand)	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	8,546,997	8,462,115
Investment properties	15	472,690	472,690
Long term investments	16	1,364,971	1,028,838
Long term deposits	17	129,284	19,067
		10,513,942	9,982,710
CURRENT ASSETS			
Stores, spare parts and loose tools	18	567,742	653,026
Stock-in-trade	19	7,389,621	5,964,697
Trade debts	20	3,220,558	2,756,220
Loans and advances	21	144,171	169,288
Short term deposits and prepayments	22	81,194	78,283
Other receivables	23	968,188	746,615
Short term investments	24	1,238,626	2,094,845
Cash and bank balances	25	163,444	378,804
		13,773,544	12,841,778
Non-current assets classified as held for sale	26	6,666	22,465
		13,780,210	12,864,243
TOTAL ASSETS		24,294,152	22,846,953


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

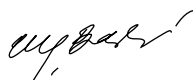
Statement of Profit or Loss

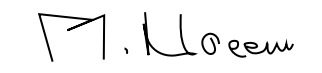
For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
Revenue from Contracts with Customers	27	27,411,458	29,744,290
Cost of Sales	28	(25,124,439)	(27,348,126)
Gross Profit		2,287,019	2,396,164
Distribution Cost	29	(268,136)	(286,940)
Administrative Expenses	30	(303,983)	(317,828)
Other Expenses	31	(159,789)	(179,684)
		(731,908)	(784,452)
		1,555,111	1,611,712
Other Income	32	645,324	769,127
Profit from Operations		2,200,435	2,380,839
Finance Cost	35	(189,894)	(407,343)
Profit Before Levy And Taxation		2,010,541	1,973,496
Levy	34	(131,612)	(229,069)
Profit Before Taxation		1,878,929	1,744,427
Taxation	35	(760,246)	(738,009)
Profit After Taxation		1,118,683	1,006,418
Earnings per share - basic and diluted (Rupees)	36	22.92	20.62

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

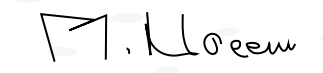
For the year ended 30 June 2025

	2025	2024
	(Rupees in thousand)	
PROFIT AFTER TAXATION	1,118,683	1,006,418
OTHER COMPREHENSIVE INCOME		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income - net of tax	536,148	375,552
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year - net of tax	536,148	375,552
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,654,831	1,381,970

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

For the year ended 30 June 2025

Reserves								
Share Capital	Capital reserves			Revenue Reserves			Total	Total Equity
	Share premium reserve	Fair value reserve on FVTOCI investments	Sub Total	General Reserve	Un-appropriated Profit	Sub Total		

------(Rupees in thousand)-----

Balance as at 30 June 2023 443,722 29,000 (258,152) (229,152) 3,714,000 6,868,844 10,582,844 10,353,692 10,797,414

Transactions with owners:

Bonus shares issued for the year ended 30 June 2023 @ 10% 44,372 - - - - (44,372) (44,372) (44,372) -

Final dividend for the year ended 30 June 2023 @ Rupee 1 per share - - - - - (44,372) (44,372) (44,372) (44,372)

Transfer of gain on disposal of FVTOCI investment to retained earnings - - (39,393) (39,393) - 39,393 39,393 - -

Profit for the year - - - - - 1,006,418 1,006,418 1,006,418 1,006,418

Other comprehensive loss for the year - - 375,552 375,552 - - - 375,552 375,552

Total comprehensive income for the year - - 375,552 375,552 - 1,006,418 1,006,418 1,381,970 1,381,970

Balance as at 30 June 2024 488,094 29,000 78,007 107,007 3,714,000 7,825,911 11,539,911 11,646,918 12,135,012

Transactions with owners:

Final dividend for the year ended 30 June 2024 @ Rupee 5 per share - - - - - (244,048) (244,048) (244,048) (244,048)

Transfer of gain on disposal of FVTOCI investments to retained earnings - - (190,524) (190,524) - 190,524 190,524 - -

Profit for the year - - - - - 1,118,683 1,118,683 1,118,683 1,118,683

Other comprehensive income for the year - - 536,148 536,148 - - - 536,148 536,148

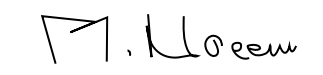
Total comprehensive income for the year - - 536,148 536,148 - 1,118,683 1,118,683 1,654,831 1,654,831

Balance as at 30 June 2025 488,094 29,000 423,631 452,631 3,714,000 8,891,070 12,605,070 13,057,701 13,545,795

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Cash Flows

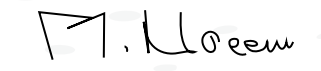
For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	550,943	2,686,967
Finance cost paid		(209,330)	(421,015)
Workers' profit participation fund paid	8.4	(105,988)	-
Workers' welfare fund paid	8.5	-	(31,960)
Income tax and levy paid		(468,462)	(378,109)
Profit on bank deposits received		18,778	60,868
(Increase) / decrease in long term deposits		(110,217)	670
Net cash (used in) / generated from operating activities		(324,276)	1,917,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(894,942)	(150,279)
Proceeds from disposal of property, plant and equipment	14.1.1	104,400	10,170
Investments made		(3,912,561)	(4,258,013)
Investments disposed of		5,426,533	3,245,015
Proceeds from disposal of investment property		4,713	28,500
Dividends received		105,474	314,154
Interest received		24,198	20,780
Proceeds from disposal of non-current assets classified as held for sale	26.2	24,038	-
Net cash from / (used in) investing activities		881,853	(789,673)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing	37.2	(717,885)	(597,322)
Repayment of lease liability	37.2	-	(566)
Short term borrowings - net	37.2	187,732	(249,251)
Dividend paid	37.2	(242,784)	(44,372)
Net cash used in financing activities		(772,937)	(891,511)
Net (decrease) / increase in cash and cash equivalents		(215,360)	236,237
Cash and cash equivalents at the beginning of the year	25	378,804	142,567
Cash and cash equivalents at the end of the year	25	163,444	378,804

The annexed notes form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

For the year ended 30 June 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 Suraj Cotton Mills Limited (the Company) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at Office No. 802, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore. The Company is engaged in manufacturing, sale, trading and dealing in yarn and cloth.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and offices	Address
1	Spinning unit - Karachi	Karachi - Hyderabad Motorway, Noori Abad, Jamshoro, Sindh.
2	Spinning unit and weaving unit - Shahkot	Kotla Kahloon, Shahkot, District Nankana Sahib, Punjab.
3	Spinning unit - Raiwind	4 K.M. Raiwind Manga Road, Raiwind, Punjab.
4	Registered office and head office	Office No. 802 and 804, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, Lahore, Punjab.
5	Branch office	3rd floor, Cotton Exchange Building, I. I. Chundrigar Road, Karachi, Sindh.
6	Site for office	30-Q, Gulberg-II, Lahore.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Notes to the Financial Statements

For the year ended 30 June 2025

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for Expected Credit Loss (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Notes to the Financial Statements

For the year ended 30 June 2025

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the statement of financial position date.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Impairment of investments in joint ventures

In making the estimates of recoverable amount of the Company's investments in joint ventures, the management considers future cash flows.

Classification of investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' – Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' – Non-current liabilities with covenants;
- Amendments to IFRS 16 'Leases' – Lease liability in a sale and leaseback transaction; and

Notes to the Financial Statements

For the year ended 30 June 2025

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures – Supplier finance arrangements.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined

Notes to the Financial Statements

For the year ended 30 June 2025

performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2025

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

The Company operates an employee's funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Company and employees to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

2.3 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

For the year ended 30 June 2025

2.4 Borrowing

Financing and borrowings are recognised initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.5 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at cost less any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives except for leasehold land, which is depreciated over the lease period using straight-line method, at the rates given in note 14.1. Depreciations on additions is charged from the month in which the assets are available for use up to the month prior to disposal. The residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

Notes to the Financial Statements

For the year ended 30 June 2025

De-recognition

An item of operating fixed assets is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognised.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.7 Investment properties

Land and building held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognised impairment loss. Land is stated at cost less any recognised impairment loss.

2.8 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

2.9 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.10 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Financial Statements

For the year ended 30 June 2025

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2025

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2). Fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.11 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

Notes to the Financial Statements

For the year ended 30 June 2025

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Notes to the Financial Statements

For the year ended 30 June 2025

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

b) Financial liabilities

The Company shall derecognises a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

Notes to the Financial Statements

For the year ended 30 June 2025

2.14 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

2.15 Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. A joint venture is a joint arrangement whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from investee companies are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

At each statement of financial position date, the Company reviews the carrying amounts of these investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognised as expense in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2025

2.16 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at cost using moving average cost formula less provision for slow moving, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

- | | | |
|------|---|--|
| (i) | For raw materials: | Weighted average cost |
| (ii) | For work-in-process and finished goods: | At average manufacturing cost including proportion of production overheads |

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stocks are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.17 Trade and other payables

Liabilities for trade and other amounts payable are initially recognised at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.18 Trade and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit loss.

Other receivables are recognised at amortized cost, less any allowance for expected credit loss.

2.19 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Notes to the Financial Statements

For the year ended 30 June 2025

2.20 Revenue recognition

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

(b) Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

(c) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(d) Dividend

Dividend on investments is recognised when right to receive the dividend is established.

2.21 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

Notes to the Financial Statements

For the year ended 30 June 2025

2.23 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.24 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realization becomes certain.

2.25 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognised in the financial statements.

2.26 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Weaving: Production of different quality of greige fabric using yarn.

Transactions among the business segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases are eliminated from the total.

Notes to the Financial Statements

For the year ended 30 June 2025

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.28 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognised in the period in which these are approved by the Board of Directors.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.2 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

3.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

Notes to the Financial Statements

For the year ended 30 June 2025

3.4 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

3.5 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.6 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

Notes to the Financial Statements

For the year ended 30 June 2025

3.7 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

3.8 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortized on a straight-line basis over the term of the contract.

3.9 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

3.10 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

3.11 Derivative financial instruments

Derivatives are initially recognised at fair value. Any directly attributable transaction costs are recognised in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognised in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2025

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2025 (No. of Shares)	2024		2025 (Rupees in thousand)	2024
17,400,000	17,400,000	Ordinary shares of Rupees 10 each fully paid up in cash	174,000	174,000
31,409,515	31,409,515	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	314,094	314,094
48,809,515	48,809,515		488,094	488,094

4.1 Movement during the year

2025 (No. of Shares)	2024		2025 (Rupees in thousand)	2024
48,809,515	44,372,287	At 01 July	488,094	443,722
-	4,437,228	Ordinary shares of Rupees 10 each issued during the year as fully paid bonus shares	-	44,372
48,809,515	44,372,287	At 30 June	488,094	488,094

4.2 Ordinary shares of the Company held by the associated companies:

	2025 (No. of Shares)	2024
Crescent Powertech Limited	21,571,343	21,571,343
Premier Insurance Limited	1,626,708	1,626,708
	23,198,051	23,198,051

4.3 The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of Rupees 10 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
5. RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Share premium reserve	5.1	29,000	29,000
Fair value reserve on FVTOCI investments - net of deferred income tax	5.2	423,631	78,007
		452,631	107,007
Revenue reserves			
General reserve		3,714,000	3,714,000
Un-appropriated profit		8,891,070	7,825,911
		12,605,070	11,539,911
		13,057,701	11,646,918

5.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	2025 (Rupees in thousand)	2024
Balance as on 01 July	90,817	(341,020)
Add: Fair value adjustment made during the year	649,498	471,230
Less: Transfer of gain on disposal of FVTOCI investments to retained earnings	(190,524)	(39,393)
	549,791	90,817
Deferred income tax on equity investments	(126,160)	(12,810)
Balance as on 30 June	423,631	78,007

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
6. LONG TERM FINANCING - SECURED			
From banking companies			
Long term loans	6.1	3,063,146	3,624,454
Less: Current portion shown under current liabilities	11	(592,454)	(562,662)
		2,470,692	3,061,792

	LENDER	2025	2024	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(Rupees in Thousand)							
6.1 Long term loans								
	MCB Bank Limited (Note 6.2)	14,427	18,201	3 months KIBOR + 0.5%	Thirty four un-equal quarterly instalments commenced on 27 November 2019 and ending on 24 April 2029.	Quarterly	Quarterly	
	MCB Bank Limited	106,687	130,395	SBP rate for LTFF + 0.60%	Seventeen equal semi annual instalments commenced on 11 December 2021 and ending on 11 December 2029.	-	Quarterly	
	MCB Bank Limited (Note 6.2)	330,624	428,968	SBP rate for LTFF + 0.50%	One hundred and twenty two un-equal instalments commenced on 12 April 2019 and ending on 06 March 2029.		Quarterly	Joint pari passu charge of Rupees 3,434 million over all present and future fixed assets of the Company inclusive of 34% margin.
	MCB Bank Limited (Note 6.3)	615,144	677,492	SBP rate for TERF + 1%	One hundred and sixty un-equal instalments commenced on 23 September 2023 and ending on 21 October 2032.		Quarterly	
	Allied Bank Limited (Note 6.2)	567,770	764,521	SBP rate for TERF + 1%	One hundred and twenty eight un-equal instalments commenced on 11 July 2019 and ending on 08 August 2028.		Quarterly	
	Allied Bank Limited (Note 6.3)	615,079	693,475	SBP rate for TERF + 1%	One hundred and thirty six un-equal instalments commenced on 03 May 2023 and ending on 15 September 2032.		Quarterly	Joint pari passu charge over fixed assets of the Company aggregating to Rupees 3,534 million inclusive of 25% margin.
	United Bank Limited (Note 6.2)	112,753	139,283	SBP rate for LTFF + 1%	Thirty six quarterly instalments commenced on 31 October 2019 and ending on 31 July 2029.		Quarterly	Joint pari passu charge of Rupees 854 million over fixed assets of the Company inclusive of 25% margin.
	Bank Alfalah Limited (Note 6.3)	631,297	701,526	SBP rate for TERF + 1%	Three hundred and ninety seven un-equal instalments commenced on 27 July 2023 and ending on 24 August 2032.		Quarterly	Joint pari passu charge over fixed assets of the Company aggregating to Rupees 1,334 million inclusive of 25% margin.
	Samba Bank Limited (Note 6.3)	69,365	70,593	SBP rate for TERF + 2%	Twenty equal quarterly instalments commenced on 03 February 2025 and ending on 03 November 2029.		Quarterly	Joint pari passu charge of Rupees 134 million over fixed assets of the Company inclusive of 25% margin.
		3,063,146	3,624,454					

6.2 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

Notes to the Financial Statements

For the year ended 30 June 2025

- 6.3** These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.88% to 17.77% per annum (2024: 7.88% to 17.77% per annum).

	Note	2025 (Rupees in thousand)	2024
7. DEFERRED LIABILITIES			
Deferred income - Government grant	7.1	404,977	546,521
Gas Infrastructure Development Cess (GIDC) payable	7.2	-	-
Deferred income tax liability - net	7.3	1,181,320	706,509
		1,586,297	1,253,030
7.1 Deferred income - Government grant			
Balance as on 01 July		702,003	869,833
Less: Amortized during the year		(156,577)	(167,830)
		545,426	702,003
Less: Current portion shown under current liabilities	11	(140,449)	(155,482)
		404,977	546,521

- 7.1.1** The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. One of the key feature of the refinance facility was that borrowers could obtain loans at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Company obtained these loans as disclosed in note 6 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities have been initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instruments. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

7.2 Gas Infrastructure Development Cess (GIDC) Payable			
Balance as on 30 June		420,249	420,249
Less: Current portion shown under current liabilities	11	(420,249)	(420,249)
		-	-

Notes to the Financial Statements

For the year ended 30 June 2025

7.2.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. With respect to GIDC payable to Sui Southern Gas Pipeline Limited, the Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending for adjudication. GIDC payable is recognized at amortized cost in accordance with IFRS 9.

	Note	2025 (Rupees in thousand)	2024
7.3 Deferred income tax liability - net			
The deferred income tax liability / (asset) originated due to timing differences relating to:			
Deferred income tax liabilities			
Accelerated tax depreciation		1,078,710	913,910
Un-realized gain on FVTPL investments		24,440	-
Un-realized gain on FVTOCI investments		126,160	12,810
		1,229,310	926,720
Deferred tax income assets			
Un-realized loss on FVTPL investments		-	(19,362)
Allowance for expected credit loss		(18,396)	(33,313)
Provision for slow moving, obsolete and damaged store items		(29,594)	(30,518)
Available unused tax loss - unabsorbed tax depreciation		-	(78,891)
Minimum tax carry forward		-	(58,127)
		(47,990)	(220,211)
		1,181,320	706,509

7.3.1 Movement in deferred tax balances during the year is as follows:

	2025			
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other compre- hensive income	Balance as on 30 June
	-----Rupees in thousand-----			
Accelerated tax depreciation	913,910	164,800	-	1,078,710
Un-realized gain on FVTOCI investments	12,810	-	113,350	126,160
Un-realized (loss) / gain on FVTPL investments	(19,362)	43,802	-	24,440
Allowance for expected credit loss	(33,313)	14,917	-	(18,396)
Provision for slow moving, obsolete and damaged store items	(30,518)	924	-	(29,594)
Available unused tax loss - unabsorbed tax depreciation	(78,891)	78,891	-	-
Minimum tax carry forward:				
Available	(346,738)	(97,223)	-	(443,961)
Movement in deferred income tax not recognized	288,611	155,350	-	443,961
Deferred income tax recognized	(58,127)	58,127	-	-
	706,509	361,461	113,350	1,181,320

Notes to the Financial Statements

For the year ended 30 June 2025

2024				
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as on 30 June
-----Rupees in thousand-----				
Accelerated tax depreciation	509,809	404,101	-	913,910
Un-realized (loss) / gain on FVTOCI investments	(82,868)	-	95,678	12,810
Right-of-use asset	332	(332)	-	-
Un-realized loss on FVTPL investments	(59,981)	40,619	-	(19,362)
Allowance for expected credit loss	(65,132)	31,819	-	(33,313)
Provision for slow moving, obsolete and damaged store items	(15,324)	(15,194)	-	(30,518)
Lease liability	(157)	157	-	-
Available unused tax loss - unabsorbed tax depreciation	(78,891)	-	-	(78,891)
Minimum tax carry forward:				
Available	(230,484)	(116,254)	-	(346,738)
Movement in deferred income tax not recognized	230,484	58,127	-	288,611
Deferred income tax recognized	-	(58,127)	-	-
	207,788	403,043	95,678	706,509

7.3.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognized deferred income tax asset. Detail of minimum tax carried forward is given as follows:

	Accounting year to which tax loss relates	Amount	Accounting year in which tax loss will expire
		Rupees in thousand	
Minimum tax carry forward	2025	97,223	2028
	2024	116,254	2027
	2023	230,484	2026
		<u>443,961</u>	

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
8. TRADE AND OTHER PAYABLES			
Creditors	8.1	1,196,629	1,562,218
Contract liabilities - unsecured		113,296	90,903
Accrued liabilities	8.2	1,670,867	1,497,204
Infrastructure cess payable	8.3	521,110	330,706
Payable to employees' provident fund trust		-	10,289
Income tax deducted at source		10,538	16,147
Workers' profit participation fund	8.4	107,978	105,988
Workers' welfare fund	8.5	215,941	174,909
		3,836,359	3,788,364
8.1 These include amounts due to following related parties:			
The Crescent Textile Mills Limited - associated company		4	10,531
Premier Insurance Limited - associated company		8,602	2,178
Crescent Fibres Limited - former associated company		-	3,147
Equity Textiles Limited - associated company		-	-
Mohammad Amin Mohammad Bashir Limited - associated company		462	462
Crescent Powertec Limited - associated company		1,491	598
Bridgeline Global Logistics (Private) Limited - former associated company		-	13,134
		10,559	30,050
8.2 These include salaries payable to directors and Chief Executive Officer of Rupees 18,223 million (2024: Rupees 3.104 million).			

Notes to the Financial Statements

For the year ended 30 June 2025

8.3 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favour of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honourable Supreme Court also directed to release the future consignments subject to furnishing of bank guarantees for the disputed amount. The detail of provision is as follows:

	Note	2025 (Rupees in thousand)	2024
Balance as on 01 July		330,706	283,955
Add: Provision made during the year		190,404	46,751
Balance as on 30 June		521,110	330,706
8.4 Workers' profit participation fund			
Balance as on 01 July		105,988	-
Add: Provision for the year	31	107,978	105,988
Less: Payments made during the year		(105,988)	-
Balance as on 30 June		107,978	105,988
8.5 Workers' welfare fund			
Balance as on 01 July		174,909	166,593
Add: Provision for the year	31	41,032	40,276
Less: Payments made during the year		-	(31,960)
Balance as on 30 June		215,941	174,909
9. ACCRUED MARKUP			
Long term financing		9,367	10,511
Short term borrowings		29,474	47,766
		38,841	58,277

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
10. SHORT TERM BORROWINGS			
From banking companies - secured			
Running finance	10.1 & 10.2	1,164,739	977,007
10.1	These finances are obtained from banking companies under mark-up arrangements and are secured by hyphothecation of present and future current assets of the Company. These form part of total credit facility of Rupees 4,115 million (2024: Rupees 3,785.090 million).		
10.2	The rates of mark-up range from 11.58% to 22.18% (2024: 22.27% to 23.96%) per annum during the year on the balance outstanding.		
11. CURRENT PORTION OF LONG TERM LIABILITIES			
Current portion of long term financing	6	592,454	562,662
Current portion of deferred income - Government grant	7.1	140,449	155,482
Current portion of GIDC	7.2	420,249	420,249
		1,153,152	1,138,393
12. PROVISION FOR TAXATION AND LEVY - NET			
Provision for taxation - net			
Provision for taxation		1,156,007	918,390
Less: Advance income tax		(759,898)	(648,389)
		396,109	270,001
Levy payable - net			
Levy payable		117,433	229,069
Less: Prepaid levy		(23,842)	(71,305)
		93,591	157,764
		489,700	427,765

Notes to the Financial Statements

For the year ended 30 June 2025

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company filed a complaint dated 20 April 2022 against Chief Commissioner Inland Revenue in terms of section 10(1) of the Federal Tax Ombudsman (FTO) Ordinance, 2000 for delay in processing / sanctioning of sales tax refund of Rupees 69.657 million for the tax periods from December 2013 to October 2017. As per the tax department, the Company used to fall under zero-rated regime. Two electricity connections of the Company were included in Sales Tax General Order dated 13 September 2007 for the purpose of zero-rating. No zero-rated facility was however available on another electricity connection till 21 November 2017. On 21 November 2017, this electricity connection was included in Sales Tax General Order for zero-rating. The Company filed writ petition before Honourable Lahore High Court, Lahore (LHC) against recovery notices issued by Lahore Electric Supply Company Limited for recovery of sales tax for above-mentioned periods. Petition was disposed by LHC on 21 September 2017 with direction that only tax department or competent authority, under law, shall be entitled to recover arrears of sales tax. LESCO vide letter dated 21 May 2021 directed the Company to deposit sales tax in its account since tax department has already recovered sales tax of Rupees 69.657 million which was deposited by the Company. Later, the Company requested for issuance of refund under section 66 of the Sales Tax Act, 1990. FTO vide order dated 01 June 2022 recommended the tax department to direct Commissioner Inland Revenue to process / sanction Company's refund claims for the tax periods from December 2013 to October 2017 on provision of requisite documents by the Company. The Company is confident of favourable outcome of the matter, hence no provision thereagainst has been made in these financial statements.

ii) Guarantees of Rupees 810.980 million (2024: Rupees 565.461 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Lahore Electricity Supply Company Limited against electricity connections and Director Excise and Taxation, Karachi against infrastructure cess and others.

b) Commitments

i) Contract for capital expenditure are approximately of Rupees Nil (2024: Rupees 433.689 million).

ii) Letters of credit other than for capital expenditure are of Rupees 6,657.684 million (2024: Rupees 861.597 million).

iii) Following represent commitments arising from short-term and low value leases recognized on a straight-line basis as expense under the practical expedients applied by the Company. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	2025	2024
	(Rupees in thousand)	
Not later than 1 year	3,270	2,841

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
14. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	14.1	8,410,684	8,345,728
Capital work-in-progress	14.2	136,313	116,387
		8,546,997	8,462,115

Notes to the Financial Statements

For the year ended 30 June 2025

14.1 OPERATING FIXED ASSETS

	Leasehold land	Buildings on leasehold land	Freehold land	Buildings on freehold land	Office premises	Plant and machinery	Electric installations	Furniture and fixtures	Factory equipment	Vehicles	Total
At 30 June 2023											
Cost	2,108	49,580	1,175,930	1,284,330	121,912	9,132,517	233,137	3,549	125,299	197,759	12,326,121
Accumulated depreciation	(805)	(44,344)	-	(608,887)	(42,615)	(4,300,567)	(119,787)	(3,149)	(53,805)	(100,457)	(5,274,416)
Net book value	1,303	5,236	1,175,930	675,443	79,297	4,831,950	113,350	400	71,494	97,302	7,051,705
Year ended 30 June 2024											
Opening net book value	1,303	5,236	1,175,930	675,443	79,297	4,831,950	113,350	400	71,494	97,302	7,051,705
Additions	-	-	-	101,938	-	1,848,156	111,128	-	-	39,426	2,100,648
Transfer from right of use asset:											
Cost	-	-	-	-	-	-	-	-	-	2,321	2,321
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(1,354)	(1,354)
Disposals:	-	-	-	-	-	-	-	-	-	967	967
Cost	-	-	-	-	-	(10,211)	-	-	-	(5,595)	(15,806)
Accumulated depreciation	-	-	-	-	-	8,801	-	-	-	3,684	12,485
	-	-	-	-	-	(1,410)	-	-	-	(1,911)	(3,321)
Depreciation charge	(21)	(524)	-	(77,738)	(7,930)	(664,494)	(22,448)	(40)	(7,149)	(23,927)	(804,271)
Closing net book value	1,282	4,712	1,175,930	699,643	71,367	6,014,202	202,030	360	64,345	111,857	8,345,728
At 30 June 2024											
Cost	2,108	49,580	1,175,930	1,386,288	121,912	10,970,462	344,265	3,549	125,299	233,911	14,413,284
Accumulated depreciation	(826)	(44,868)	-	(686,625)	(50,545)	(4,956,260)	(142,235)	(3,189)	(60,954)	(122,054)	(6,067,556)
Net book value	1,282	4,712	1,175,930	699,643	71,367	6,014,202	202,030	360	64,345	111,857	8,345,728
Year ended 30 June 2025											
Opening net book value	1,282	4,712	1,175,930	699,643	71,367	6,014,202	202,030	360	64,345	111,857	8,345,728
Additions	-	-	-	8,731	52,892	649,184	39,713	-	114,841	9,655	875,016
Disposals:	-	-	-	-	-	(217,588)	-	-	-	(12,718)	(230,306)
Cost	-	-	-	-	-	193,872	-	-	-	7,983	201,855
Accumulated depreciation	-	-	-	-	-	(23,716)	-	-	-	(4,735)	(28,451)
Depreciation charge	(13)	(471)	-	(70,619)	(10,222)	(644,369)	(22,537)	(36)	(10,284)	(23,058)	(781,609)
Closing net book value	1,269	4,241	1,175,930	637,755	114,037	5,995,301	219,206	324	168,902	93,719	8,410,684
At 30 June 2025											
Cost	2,108	49,580	1,175,930	1,394,999	174,804	11,402,058	383,978	3,549	240,140	230,848	15,057,994
Accumulated depreciation	(839)	(45,339)	-	(757,244)	(60,767)	(5,406,757)	(164,772)	(3,225)	(71,238)	(137,129)	(6,647,310)
Net book value	1,269	4,241	1,175,930	637,755	114,037	5,995,301	219,206	324	168,902	93,719	8,410,684
Annual rate of depreciation (%)	1	10	-	10	10	10	10	10	10	20	

Notes to the Financial Statements

For the year ended 30 June 2025

14.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
------(Rupees thousand)-----								
Plant and machinery								
Comber E62	1	5,786	5,062	734	2,500	1,766	Negotiation	Shams Textile Mills Limited - associated company
Vehicles								
Kia Picanto LEA-20-4910	1	1,956	1,308	648	2,150	1,502	Negotiation	Mr. Wazir Ali Zahid, Lahore.
Toyota Altis LE-9743	1	2,590	1,890	700	2,250	1,550	Negotiation	Mr. Shakir Ali, Lahore.
Toyota Yaris BVT-713	1	3,005	1,330	1,675	4,250	2,575	Negotiation	Mr. Muhammad Umar, Karachi.
Suzuki Cultus EBA-058	1	1,670	868	802	2,600	1,798	Negotiation	Mr. Muhammad Maaz Qayyum, Karachi.
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000								
		215,299	191,407	23,892	90,650	66,758		
		230,306	201,855	28,451	104,400	75,949		

14.1.2 Depreciation charge for the year has been allocated as follows:

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Cost of sales	28	747,575	771,689
Administrative expenses	30	34,034	32,582
		781,609	804,271

14.1.3 Particulars of immovable properties (i.e. lands and buildings) are as follows:

Manufacturing units and office	Address	Area of land
Office	Office No. 802 and 804, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, Lahore.	11,040 square feet
Site for office	30-Q, Gulberg-II, Lahore.	4.7 Kanals
Manufacturing units		
Spinning unit	Karachi - Hyderabad Motorway, Nooriabad, Jamshoro, Sindh.	120 Kanals
Spinning unit and weaving units	Kofla Kahloon, Shahkot, District Nankana Sahib, Punjab.	347.5 Kanals
Spinning unit	4 K.M. Rawind Manga Road and Mouza Nehla, Raiwind, Punjab	627 Kanals

Notes to the Financial Statements

For the year ended 30 June 2025

	2025	2024
	(Rupees in thousand)	
14.2 Capital Work in Progress		
Buildings on freehold land	-	2,474
Office premises	-	37,232
Plant and machinery	136,313	76,681
	136,313	116,387

Buildings on freehold land	Factory equipment	Office premises	Plant and machinery	Electric installations
----- (Rupees in thousand) -----				

14.2.1 Movement in capital work in progress

At 30 June 2023	190,251	-	-	1,806,394	70,111
Add: Additions during the year	2,474	-	15,000	76,681	-
(Less) / add : Adjusted during the year	(75,234)	-	22,232	(1,006)	54,008
Less: Charged to profit or loss during the year	(13,080)	-	-	-	-
Less: Capitalized during the year	(101,937)	-	-	(1,805,388)	(111,128)
Less: Transferred to other receivables	-	-	-	-	(12,991)
At 30 June 2024	2,474	-	37,232	76,681	-
Add: Additions during the year	6,257	114,841	15,660	720,807	39,713
Less: Charged to profit or loss during the year	-	-	-	(11,991)	-
Less: Capitalized during the year	(8,731)	(114,841)	(52,892)	(649,184)	(39,713)
At 30 June 2025	-	-	-	136,313	-

	Note	2025	2024
		(Rupees in thousand)	
15. INVESTMENT PROPERTIES			
Balance as on 01 July		472,690	477,690
Less: Disposed of during the year		-	(5,000)
Balance as on 30 June		472,690	472,690

15.1 These represent plots stated at cost. Market value of plots is estimated at Rupees 842.728 million (2024: Rupees 794.600 million). Forced sale value of investment properties as on the reporting date is Rupees 713.577 million (2024: Rupees 672.825 million). The valuation has been carried out by an independent valuer.

Notes to the Financial Statements

For the year ended 30 June 2025

15.2 Particulars of investment properties are as follows:

Description	Address	Area of land (Kanals)
Residential Plots	Lake City, 13 K.M. Raiwind Road, Lahore.	38
Residential Plots	Central Boulevard Housing Scheme, Ferozepur Road, Lahore.	4.50
Commercial plots	Central Boulevard Housing Scheme, Ferozepur Road, Lahore.	0.4

	Note	2025 (Rupees in thousand)	2024
16. LONG TERM INVESTMENTS			
Investments in joint ventures - under equity method	16.1	-	-
Equity instruments - at FVTOCI	16.2	1,359,786	1,023,180
Knightbridge Residential Real Estate Partners (Partnership Firm)	16.3	5,185	5,658
		1,364,971	1,028,838

16.1 Investments in joint ventures - under equity method

S2 Hydro Limited 24,000 (2024: 24,000) fully paid ordinary shares of Rupees 10 each. Equity held 48% (2024: 48%)	16.1.1	-	-
S2 Power Limited 24,000 (2024: 24,000) fully paid ordinary shares of Rupees 10 each. Equity held 48% (2024: 48%)	16.1.1	-	-
S2 Solar Limited 25,000 (2024: 25,000) fully paid ordinary shares of Rupees 10 each. Equity held 50% (2024: 50%)	16.1.1	-	-
		-	-

Notes to the Financial Statements

For the year ended 30 June 2025

16.1.1 Reconciliation of investments in joint ventures under equity method:

	S2 Hydro Limited		S2 Power Limited		S2 Solar Limited	
	2025	2024	2025	2024	2025	2024
	(RUPEES IN THOUSANDS)					
Cost	240	240	240	240	250	250
Add: Advance for purchase of shares	18,232	18,232	533	533	2,747	2,747
Share of post acquisition reserves:						
As at 01 July	(354)	(354)	(773)	(773)	(52)	(52)
Share of profit / (loss)	-	-	-	-	-	-
As at 30 June	(354)	(354)	(773)	(773)	(52)	(52)
Less: Impairment loss	(18,118)	(18,118)	-	-	(2,945)	(2,945)
	-	-	-	-	-	-

16.1.2 Interests in associates

Name of associated company	Note	Country of incorporation	% of ownership interest	Measurement method
S2 Hydro Limited	16.1.3	Pakistan	48.00%	Equity method
S2 Power Limited	16.1.4	Pakistan	48.00%	Equity method
S2 Solar Limited	16.1.5	Pakistan	50.00%	Equity method

16.1.3 S2 Hydro Limited was incorporated for setting up hydel power generation facilities. Its registered office is situated at 7 - B - III, Marina Homes, Aziz Avenue, Gulberg V, Lahore.

16.1.4 S2 Power Limited was incorporated to set up undertakings for electricity / power generation plants and to generate, accumulate, distribute and sell electricity. Its registered office is situated at 7 - B - III, Marina Homes, Aziz Avenue, Gulberg V, Lahore.

16.1.5 S2 Solar Limited was incorporated to set up undertakings for electricity / power generation plants and to generate, accumulate, distribute and sell electricity. Its registered office is situated at 7 - B - III, Marina Homes, Aziz Avenue, Gulberg V, Lahore.

16.1.6 S2 Hydro Limited, S2 Power Limited and S2 Solar Limited are defunct companies since long. Moreover, on 03 June 2025, the members of S2 Power Limited have filed application with the concerned Registrar, Company Registration Office, Securities and Exchange Commission of Pakistan for striking off name of S2 Power Limited from the Register of Companies under the Companies Regulations, 2024 and section 426 of the Companies Act, 2017.

Notes to the Financial Statements

For the year ended 30 June 2025

16.2 Equity instruments - at FVTOCI

Quoted - Investments in related parties

Premier Insurance Limited - associated company

1,298,971 (2024: 1,298,971) fully paid ordinary shares of Rupees 10 each.

The Crescent Textile Mills Limited - associated company

2,060,625 (2024: 2,060,625) fully paid ordinary shares of Rupees 10 each.

Crescent Steel and Allied Products Limited - associated company

500,129 (2024: 1,222,000) fully paid ordinary shares of Rupees 10 each.

Quoted - Others

Kot Adu Power Company Limited

525,000 (2024: 525,000) fully paid ordinary shares of Rupees 10 each.

Nishat Mills Limited

925,000 (2024: 1,125,000) fully paid ordinary shares of Rupees 10 each.

Pakistan State Oil Company Limited

100,000 (2024: 198,360) fully paid ordinary shares of Rupees 10 each.

Oil & Gas Development Company Limited

700,000 (2024: 650,000) fully paid ordinary shares of Rupees 10 each.

The Searle Company Limited

323,034 (2024: 323,034) fully paid ordinary shares of Rupees 10 each.

DG Khan Cement Company Limited

962,400 (2024: 1212,400) fully paid ordinary shares of Rupees 10 each.

Fauji Fertilizer Company Limited

350,000 (2024: 325,000) fully paid ordinary shares of Rupees 10 each.

Fatima Fertilizer Company Limited

459,760 (2024: 554,000) fully paid ordinary shares of Rupees 10 each.

2025			2024		
Cost	Fair value adjustment	Fair value	Cost	Fair value adjustment	Fair value
(Rupees in thousand)					
9,167	(451)	8,716	9,167	(1,503)	7,664
45,855	3,518	49,373	45,855	(18,325)	27,530
34,661	23,169	57,830	81,193	(15,193)	66,000
89,683	26,236	115,919	136,215	(35,021)	101,194
17,143	172	17,315	28,303	(10,920)	17,383
107,708	8,731	116,439	130,996	(51,290)	79,706
20,348	17,405	37,753	40,362	(7,393)	32,969
99,798	54,594	154,392	90,934	(2,944)	87,991
29,507	(1,177)	28,330	45,929	(27,477)	18,452
110,287	49,048	159,335	137,958	(28,514)	109,444
79,993	57,351	137,344	28,259	24,840	53,099
16,388	29,317	45,705	19,747	8,850	28,597
481,172	215,441	696,613	522,488	(94,848)	427,641

Notes to the Financial Statements

For the year ended 30 June 2025

2025			2024			
Cost	Fair value adjustment	Fair value	Cost	Fair value adjustment	Fair value	
----- (Rupees in thousand) -----						
Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited)						
10,547 (2024: 4,700) fully paid ordinary shares of Rupees 10 each.	1,400	525	1,925	1,400	164	1,564
Engro Fertilizers Limited						
1,150,548 (2024: 1,600,000) fully paid ordinary shares of Rupees 10 each.	72,319	141,211	213,530	93,851	172,101	265,952
United Bank Limited						
401,400 (2024: 220,700) fully paid ordinary shares of Rupees 10 each.	58,092	52,674	110,766	45,720	10,832	56,552
Kohinoor Textile Mills Limited						
250,452 (2024: 598,900) fully paid ordinary shares of Rupees 10 each.	12,258	36,896	49,154	29,311	20,374	49,685
Attock Refinery Limited						
115,000 (2024: 125,000) fully paid ordinary shares of Rupees 10 each.	19,809	58,324	78,133	21,531	22,418	43,949
MCB Bank Limited						
200,140 (2024: 200,140) fully paid ordinary shares of Rupees 10 each.	41,712	15,996	57,708	39,959	5,477	45,436
Habib Bank Limited						
200,000 (2024: 250,000) fully paid ordinary shares of Rupees 10 each.	33,350	2,488	35,838	41,688	(10,680)	31,008
	238,940	308,114	547,054	273,460	220,686	494,146
Unquoted - Others						
TCC Management Services (Private) Limited						
200,000 (2024: 200,000) fully paid ordinary shares of Rupees 10 each.	200	-	200	200	-	200
	809,995	549,791	1,359,786	932,363	90,817	1,023,181

16.2.1 Investment in ordinary shares of TCC Management Services (Private) Limited has not been measured at fair value as required by IFRS 9 'Financial Instruments' as it will have immaterial impact and thus carried at cost.

16.3 Investment in Knightbridge Residential Real Estate Partners (Partnership Firm) is carried at cost being immaterial.

Notes to the Financial Statements

For the year ended 30 June 2025

17. LONG TERM DEPOSITS

These mainly includes interest free deposits made to utility companies for the provision of utility connection. These are not being carried at amortized cost, as required by IFRS 9 as it will have immaterial impact and thus carried at historical cost.

	Note	2025 (Rupees in thousand)	2024
18. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		611,441	694,707
Spare parts		31,538	35,805
Loose tools		644	764
		643,623	731,276
Less: Provision for slow moving, obsolete and damaged store items	18.2	(75,881)	(78,250)
		567,742	653,026

18.1 Stores, spares and loose tools include stock-in-transit of Rupees 0.567 million (2024: Rupees 188.942 million).

18.2 Provision for slow moving, obsolete and damaged store items

Balance as on 01 July		78,250	55,340
(Less) / Add: (Reversal of provision) / provision made during the year	32 and 31	(2,369)	22,910
Balance as on 30 June		75,881	78,250

19. STOCK-IN-TRADE

Raw materials	19.1	3,779,270	2,727,830
Work-in-process		342,632	396,277
Finished goods		3,250,591	2,821,365
Waste		17,128	19,225
		7,389,621	5,964,697

19.1 Raw materials include stock-in-transit of Rupees 954.134 million (2024: Rupees 1,496.168 million).

19.2 Stock-in-trade of Rupees 259.053 million (2024: Rupees 568.953 million) is being carried at net realizable value.

19.3 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 5.195 million (2024: Rupees 100.604 million).

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
20. TRADE DEBTS			
Considered good:			
Secured:			
Against irrevocable letter of credit		63,481	-
Unsecured:			
- Related parties	20.1, 20.2 & 20.3	10,487	652
- Others	22.4	3,193,758	2,840,985
		3,267,726	2,841,637
Less: Allowance for expected credit loss	22.5	(47,168)	(85,417)
		3,220,558	2,756,220
20.1 This represents amount due from following related party:			
The Crescent Textile Mills Limited - associated company		2	607
Crescent Powertec Limited - associated company		-	37
ICON Global (Private) Limited - associated company		8	8
ACME Mills (Private) Limited - associated company		10,391	-
Equity Textiles Limited - associated company		86	-
		10,487	652
20.2 The maximum aggregate amount receivables from related parties at the end of any month during the year was as follows:			
The Crescent Textile Mills Limited - associated company		332	33,491
Crescent Powertec Limited - associated company		37	37
ICON Global (Private) Limited - associated company		8	8
ACME Mills (Private) Limited - associated company		36,511	20,768
Shams Textile Mills Limited - associated company		6,208	-
Equity Textiles Limited - associated company		1,030	-

20.3 As at 30 June 2025, trade debts due from related parties amounting to Rupees 10.487 million (2024: Rupees 0.652 million) were past due but not impaired. The ageing analysis of these trade debts is as follows:

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
Up to 30 days		10,391	-
31 to 60 days		86	607
Above 90 days		10	45
		10,487	652
20.4 As at 30 June 2024, trade debts due from other than related parties of Rupees 1,188.677 million (2024: Rupees 680.791 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:			
Up to 30 days		874,638	459,377
31 to 60 days		103,972	117,683
61 to 90 days		85,910	29,770
Above 90 days		124,157	73,961
		1,188,677	680,791
20.5 Allowance for expected credit loss			
Balance as on 01 July		85,417	235,219
Less: Reversal recognized during the year	32	(38,249)	(149,802)
Balance as on 30 June		47,168	85,417
20.6 Jurisdictions of trade debts			
Europe		97,582	-
Pakistan		3,170,144	2,841,637
		3,267,726	2,841,637
20.7 Types of counterparties			
Export			
Corporate		97,582	-
		97,582	-
Local			
Corporate		3,045,495	2,586,812
Others		124,649	254,825
		3,170,144	2,841,637
		3,267,726	2,841,637

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
21. LOANS AND ADVANCES			
Considered good:			
Employees	21.1	2,031	7,358
Advances to suppliers		117,508	77,717
Letters of credit		16,844	77,036
Due from related parties	21.2 & 21.3	7,788	7,177
		144,171	169,288

21.1 These represent interest free short term loans and advances given to employees as per Company's policy for general purposes. These are secured against balance to the credit of employees in the provident fund trust and are recoverable in equal monthly instalments.

21.2 This represents amount due from following related party.

Shams Textile Mills Limited - associated company	7,788	7,177
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21.3 As at 30 June 2025, due from related party amounting to Rupees 7.788 million (2024: Rupees 7.177 million) were past due but not impaired. The ageing analysis of due from related party is as follows:

Above 90 days	7,788	7,177
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21.4 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

Shams Textile Mills Limited - associated company	7,788	7,177
Crescent Powertech Limited - associated company	-	73,486
Premier Insurance Limited - associated company	-	2,182

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
22. SHORT TERM DEPOSITS AND PREPAYMENTS			
Security deposits		69,065	60,761
Prepayments		12,129	17,522
		81,194	78,283
23. OTHER RECEIVABLES			
Claims receivable	23.1	44,188	11,088
Sales tax refundable		911,009	722,536
Other	14.2.1	12,991	12,991
		968,188	746,615
23.1	These included amount receivable from Premier Insurance Limited - associated company against stock-in-trade burnt in fire amounting to Rupees Nil (2024: Rupees 6.705 million). The maximum aggregate amount receivable at the end of any month during the year was Rupees 6.705 million (2024: Rupees 6.705 million).		
24. SHORT TERM INVESTMENTS			
At fair value through profit or loss:			
Equity instruments	24.1	725,280	382,906
Mutual funds	24.2	111,191	1,487,439
Debt instruments - term deposit receipts	24.3	402,155	224,500
		1,238,626	2,094,845

Notes to the Financial Statements

For the year ended 30 June 2025

Note	2025			2024		
	Carrying value	Unrealised gain / (loss)	Fair value	Carrying value	Unrealised gain / (loss)	Fair value
----- (Rupees in thousand) -----						
24.1 Equity instruments						
Unquoted - Investments in related parties						
Premier Financial Services (Private) Limited - associated company						
2,200 (2024: 2,200) fully paid ordinary shares of Rupees 1,000 each.	-	-	-	-	-	-
Crescent Spinning Mills Limited						
208,800 (2024: 208,800) fully paid ordinary shares of Rupees 10 each.	-	-	-	-	-	-
Quoted - Investment in related party						
First Equity Modaraba - associated company						
3,227,899 (2024: 1,906,500) fully paid modaraba certificates of Rupees 10 each.	9,165	6,523	15,688	7,621	(2,645)	4,976
Quoted - Others						
Samba Bank Limited						
1,652,306 (2024: 1,652,306) fully paid ordinary shares of Rupees 10 each.	19,266	(3,486)	15,780	12,921	6,345	19,266
Fauji Cement Company Limited						
1,800,000 (2024: 1,687,500) fully paid ordinary shares of Rupees 10 each.	43,959	36,447	80,406	19,845	18,816	38,661
GlaxoSmithKline Pakistan Limited						
99,700 (2024: 79,700) fully paid ordinary shares of Rupees 10 each.	18,293	20,662	38,955	6,007	5,457	11,464
TPL Trakker Limited						
160,000 (2024: 160,000) fully paid ordinary shares of Rupees 10 each.	782	159	941	962	(212)	750
Nishat Chunian Power Limited						
800,000 (2024: 800,000) fully paid ordinary shares of Rupees 10 each.	20,952	(1,504)	19,448	13,360	10,600	23,960
TRG Pakistan Limited - Class 'A'						
Nil (2024: 100,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	9,213	(3,008)	6,205
Aisha Steel Mills Limited						
854,500 (2024: 854,500) fully paid ordinary shares of Rupees 10 each.	6,289	3,307	9,596	4,614	1,675	6,289
Lucky Core Industries Limited						
10,000 (2024: 10,000) fully paid ordinary shares of Rupees 10 each.	9,295	6,598	15,893	6,041	3,254	9,295
Arif Habib Corporation Limited						
Nil (2024: 100,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	2,487	2,364	4,851
	118,836	62,183	181,019	75,450	45,291	120,741

Notes to the Financial Statements

For the year ended 30 June 2025

Note	2025			2024		
	Carrying value	Unrealised gain / (loss)	Fair value	Carrying value	Unrealised gain / (loss)	Fair value
(Rupees in thousand)						
Power Cement Limited						
2,000,000 (2024: 2,000,000) fully paid ordinary shares of Rupees 10 each.	11,000	16,160	27,160	8,200	2,800	11,000
Sui Northern Gas Pipelines Limited						
100,000 (2024: 100,000) fully paid ordinary shares of Rupees 10 each.	6,347	5,324	11,671	3,937	2,410	6,347
Service Global Footwear Limited						
319,321 (2024: 616,544) fully paid ordinary shares of Rupees 10 each.	23,648	1,700	25,348	19,348	26,375	45,723
Hi-Tech Lubricants Limited						
960,000 (2024: 960,000) fully paid ordinary shares of Rupees 10 each.	37,507	5,779	43,286	20,381	13,853	34,234
Azgard Nine Limited						
1,500,000 (2024: 1,500,000) fully paid ordinary shares of Rupees 10 each.	12,450	4,095	16,545	9,000	2,325	11,325
National Refinery Limited						
75,000 (2024: 75,000) fully paid ordinary shares of Rupees 10 each.	14,948	3,304	18,252	11,250	8,661	19,911
Netsol Technologies Limited						
130,000 (2024: 130,000) fully paid ordinary shares of Rupees 10 each.	16,923	362	17,285	9,728	7,921	17,649
Maple Leaf Cement Factory Limited						
1,129,500 (2024: 300,000) fully paid ordinary shares of Rupees 10 each.	61,543	33,651	95,194	8,499	2,901	11,400
The HUB Power Company Limited						
455,367 (2024: 40,367) fully paid ordinary shares of Rupees 10 each.	56,562	6,192	62,754	2,809	3,774	6,583
Bank Alfalah Limited						
600,696 (2024: 742,389) fully paid ordinary shares of Rupees 10 each.	40,710	7,490	48,200	35,406	15,091	50,497
Fast Cables Limited						
1,778,328 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	42,520	1,689	44,209	43,480	(960)	42,520
Interloop Limited						
200,000 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	12,760	792	13,552	-	-	-
Systems Limited						
380,985 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	41,587	(769)	40,818	-	-	-
Lucky Cement Limited						
35,000 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	10,151	2,282	12,433	-	-	-
	388,656	88,051	476,707	172,038	85,151	257,189

Notes to the Financial Statements

For the year ended 30 June 2025

Note	2025			2024		
	Carrying value	Unrealised gain / (loss)	Fair value	Carrying value	Unrealised gain / (loss)	Fair value
	(Rupees in thousand)					
The Bank of Punjab 1,000,000 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	9,669	681	10,350	-	-	-
The Organic Meat Company Limited 500,000 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	15,525	915	16,440	-	-	-
Mari Energies Limited 40,000 (2024: Nil) fully paid ordinary shares of Rupees 10 each.	24,508	568	25,076	-	-	-
	49,702	2,164	51,866	-	-	-
	566,359	158,921	725,280	255,109	127,797	382,906

24.1.1 The official liquidator had submitted the statement in Lahore High Court for final liquidation of the Company and final decision is still awaited.

24.2 Mutual funds

2025		2024	Name of fund	2025			2024		
Number of units				Carrying value	Unrealised gain/(loss)	Fair value	Carrying value	Unrealised gain/(loss)	Fair value
----- (Rupees In Thousand) -----									
-	1,801,151	Alfalsh GHP Money Market Fund B Growth Units	-	-	-	180,391	(2,182)	178,209	
-	26,895,886	NBP Money Market Fund	-	-	-	268,300	879	269,179	
-	576,568	Atlas Money Market Fund	-	-	-	293,476	914	294,390	
-	17,247,580	ABL Cash Fund	-	-	-	176,347	249	176,596	
-	1,732,478	HBL Cash Fund	-	-	-	176,442	484	176,926	
-	1,779,992	MCB Cash Management Optimizer	-	-	-	180,997	326	181,323	
-	26	UBL Liquidity Plus Fund	-	-	-	3	-	3	
4,571	2,108,108	Faysal Islamic Cash Fund	457	1	458	210,813	-	210,813	
2,894,931	-	NBP Islamic Stock Fund	51,546	3,864	55,410	-	-	-	
1,713,378	-	NBP Stock Fund	50,842	4,481	55,323	-	-	-	
			102,845	8,346	111,191	1,486,769	670	1,487,439	

		2025	2024
Note		(Rupees in thousand)	
24.3	Debt instruments - term deposit receipts		
	At amortized cost (Note 24.3.1)	399,500	224,500
	Add: Accrued interest	2,655	-
		402,155	224,500

24.3.1 These represent deposits under lien with the banks of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections and Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess. Interest on term deposit receipts ranges from 9.30% to 10.05% (2024: 16.75% to 19%) per annum. The maturity period of these term deposit receipts is 1 to 6 months (2024: 3 months).

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
25. CASH AND BANK BALANCES			
With banks:			
On current accounts		33,565	12,937
On PLS saving accounts	25.1	128,685	364,820
		162,250	377,757
Cash in hand		1,194	1,047
		163,444	378,804

25.1 Rate of profit on bank deposits ranges from 2.78% to 19% (2024: 10% to 20.5%) per annum.

26. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Balance as on 01 July		22,465	22,465
Less: Disposed of during the year		(15,799)	-
Balance as on 30 June		6,666	22,465

26.1 These represent items of plant and machinery. Carrying amounts of these assets will be recovered principally through sale transaction rather than through continuing use. The Company intends to dispose of plant and machinery items and anticipates that the disposal will be completed subsequent to the reporting period. The Company is currently in negotiation with some potential buyers. The Directors of the Company expect that the fair value less cost to sell of these assets will be higher than the aggregate carrying amount of the related assets.

26.2 Detail of assets disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchaser
----- (Rupees in thousand) -----								
Plant and machinery								
Gas Power Engine - 4180 HP	1	64,859	49,060	15,799	24,038	8,239	Negotiation	Electrovision International FZC, UAE

	Note	2025 (Rupees in thousand)	2024
27. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Export sales		954,531	523,114
Local sales	27.1	26,456,927	29,221,176
		27,411,458	29,744,290
27.1 Local sales			
Sales	27.1.1	31,209,675	31,135,620
Less: Sales tax		(4,752,748)	(1,914,444)
		26,456,927	29,221,176

27.1.1 Local revenue include waste sales of Rupees 1,834.503 million (2024: Rupees 1,951.698 million).

Notes to the Financial Statements

For the year ended 30 June 2025

27.2 The amount of Rupees 66.728 million included in contract liabilities (Note 8) at 30 June 2025 has been recognised as revenue during the year (2024: Rupees 47.829 million).

27.3 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition:

	Spinning		Weaving		Total - Company	
	2025	2024	2025	2024	2025	2024
------(Rupees in thousand)-----						
Primary geographical markets						
Pakistan	10,863,861	14,351,942	15,593,066	14,869,234	26,456,927	29,221,176
Italy	-	-	29,967	28,118	29,967	28,118
Portugal	-	-	850,869	328,779	850,869	328,779
Turkey	-	-	-	32,711	-	32,711
Sri Lanka	2,170	1,999	-	-	2,170	1,999
Romania	-	15,452	-	-	-	15,452
Germany	34,896	69,002	-	-	34,896	69,002
China	-	-	36,629	47,053	36,629	47,053
	10,900,927	14,438,395	16,510,531	15,305,895	27,411,458	29,744,290
Major products lines						
Yarn	10,493,341	14,129,124	-	-	10,493,341	14,129,124
Greige fabric	-	-	16,510,531	15,305,895	16,510,531	15,305,895
Cotton	407,586	309,271	-	-	407,586	309,271
	10,900,927	14,438,395	16,510,531	15,305,895	27,411,458	29,744,290
Timing of revenue recognition						
Products transferred at a point in time	10,900,927	14,438,395	16,510,531	15,305,895	27,411,458	29,744,290
Products transferred over time	-	-	-	-	-	-
	10,900,927	14,438,395	16,510,531	15,305,895	27,411,458	29,744,290

27.4 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

	Note	2025	2024
		(Rupees in thousand)	
28. COST OF SALES			
Raw materials consumed	28.1	18,089,955	20,512,567
Sizing expenses		152,838	140,651
Salaries, wages and other benefits	28.2	1,664,350	1,480,948
Stores, spare parts and loose tools consumed		396,168	340,272
Packing materials consumed		206,672	213,494
Repair and maintenance		274,245	193,205
Fuel and power		3,879,864	3,871,379
Insurance		47,610	50,194
Other factory overheads		38,646	39,370
Depreciation on property, plant and equipment	14.1.2	747,575	771,689
		25,497,923	27,613,769

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
Work-in-process			
Opening stock		396,277	346,703
Closing stock		(342,632)	(396,277)
		53,645	(49,574)
Cost of goods manufactured		25,551,568	27,564,195
Finished goods			
Openings stock		2,840,590	2,624,521
Closing stock		(3,267,719)	(2,840,590)
		(427,129)	(216,069)
		25,124,439	27,348,126
28.1 Raw materials consumed			
Opening stock		2,727,830	2,847,828
Add: Purchased during the year		19,141,395	20,392,569
		21,869,225	23,240,397
Less: Closing stock		(3,779,270)	(2,727,830)
		18,089,955	20,512,567
28.2	Salaries, wages and other benefits include provident fund contribution of Rupees 58.872 million (2024: Rupees 42.735 million) by the Company.		
28.2	This includes the reversal of the provision for electricity duty amounting to Rupees 146.363 million (2024: Rupees Nil), pursuant to the decision of the Supreme Court of Pakistan dated 08 October 2024, in Civil Appeals Nos. 256 to 472 of 2011 (2024 SCP 348), which held that no electricity duty can be recovered from the entities using generators exceeding 500 KW capacity for self-consumption.		
29. DISTRIBUTION COST			
Salaries and other benefits	29.1	25,470	26,310
Outward freight and shipment		45,908	34,945
Commission to selling agents		184,896	213,596
Clearing and forwarding		9,482	10,690
Export development surcharge		2,380	1,399
		268,136	286,940

29.1 Salaries and other benefits include provident fund contribution of Rupees 1.163 million (2024: Rupees 1.032 million) by the Company.

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
30. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	30.1	194,449	153,680
Vehicles' running and maintenance		12,028	14,057
Travelling and conveyance		11,965	12,581
Rent, rates and taxes	30.2	3,529	8,940
Insurance		3,397	3,286
Entertainment		2,726	922
Advertisement		290	589
Communication		2,677	1,930
Electricity and gas		13,829	14,893
Printing and stationery		5,011	9,516
Repair and maintenance		9,031	10,109
Fee and subscription		8,813	13,450
Depreciation on property, plant and equipment	14.1.2	34,034	32,582
Depreciation on right-of-use asset		-	233
Donations	30.3 & 30.4	1,020	41,060
Miscellaneous		1,184	-
		303,983	317,828

30.1 Salaries and other benefits include provident fund contribution of Rupees 7.031 million (2024: Rupees 5.494 million) by the Company.

30.2 This includes rent expense of Rupees 3.162 million (2024: Rupees 8.033 million) relating to short term leases and leases of low value assets.

30.3 The name of donees to whom donation amount exceeded Rupees 0.102 million (2024: Rupees 4.106 million) are as follows:

The Citizens Foundation	-	5,000
Shaukat Khanum Memorial Cancer Hospital & Research Centre	-	5,000
Patients' Aid Foundation	-	5,000
Layton Rahmatulla Benevolent Trust	-	5,000
The Lahore Businessmen Association for Rehabilitation of the Disabled	1,000	-

30.4 There is no interest of any director or his spouse in donees' fund.

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
31. OTHER EXPENSES			
Legal and professional		7,191	4,426
Auditor's remuneration	31.1	2,701	2,530
Workers' profit participation fund	8.4	107,978	105,988
Workers' welfare fund	8.5	41,032	40,276
Provision for slow moving, obsolete and damaged store items	18.2	-	22,910
Net exchange loss		-	3,264
Miscellaneous		887	290
		159,789	179,684
31.1 Auditor's remuneration			
Audit fee		2,328	2,098
Half yearly review and other certifications		350	325
Out of pocket expenses		23	107
		2,701	2,530
32. OTHER INCOME			
Income from financial assets			
Dividend income		105,474	314,154
Profit on deposits with banks		18,778	60,868
Return on term deposit receipts		26,853	20,780
Gain on disposal of investments at fair value through profit or loss		179,182	59,414
Unrealised gain on re-measurement of investments at fair value through profit or loss		167,264	128,467
Net exchange gain		10,357	-
Reversal of allowance for expected credit loss - trade debts	20.5	38,249	149,802
		546,157	733,485
Income from non-financial assets			
Gain on disposal of property, plant and equipment - net	14.1.1	75,949	6,849
Gain on disposal of non-current assets classified as held for sale	26.2	8,239	-
Reversal of provision for slow moving, obsolete and damaged store items	18.2	2,369	-
Gain on sale of stores, spare parts and loose tools		5,169	-
Gain on disposal of investment properties		-	23,500
Scrap sales		7,441	5,293
		99,167	35,642
		645,324	769,127

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
33. FINANCE COST			
Mark-up / interest on:			
Long term financing		89,595	106,601
Short term borrowings		82,978	281,636
Lease liability		-	36
Bank charges and commission		17,321	19,070
		189,894	407,343
34. LEVY			
Final taxes		34,389	112,815
Minimum tax differential		97,223	116,254
		131,612	229,069

34.1 Levy represents final taxes levied under the Income Tax Ordinance, 2001, any excess over the amount designated as provision for current tax and related super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001.

35. TAXATION			
Current	35.1	398,785	334,966
Deferred		361,461	403,043
		760,246	738,009

35.1 Provision for current tax mainly represents the tax based on the taxable income for the year determined in accordance with the prevailing law for taxation of income and related super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001.

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
35.2 Reconciliation of tax and levy expense and product of accounting profit multiplied by the applicable tax rate is as follows:			
Accounting profit / (loss) before taxation and levy		2,010,541	1,973,496
Applicable tax rate		29%	29%
Tax on accounting profit		583,057	572,314
Tax effect of capital gain taxed at a lower rate		(28,728)	(12,401)
Tax effect of final tax regime income taxed at lower rate		-	593
Tax effect of dividend income taxed at lower rate		(15,172)	(44,621)
Tax effect arising as a consequence of deferred income tax expense		361,461	403,043
Tax effect of super tax		140,394	127,399
Tax effect of deemed income on investment properties		8,427	7,946
Tax effect of minimum tax		97,223	116,254
Others		(254,804)	(203,449)
Current income tax liability as per applicable tax laws		891,858	967,078
Levy	34	(131,612)	(229,069)
Current tax	35	(760,246)	(738,009)
		-	-

36. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2025	2024
Profit attributable to ordinary shareholders	(Rupees in thousand)	1,118,683	1,006,418
Weighted average number of ordinary shares	(Numbers)	48,809,515	48,809,515
Earnings per share	(Rupees)	22.92	20.62

Notes to the Financial Statements

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
37. CASH GENERATED FROM OPERATIONS			
Profit before taxation and levy		2,010,541	1,973,496
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	14.1.2	781,609	804,271
Depreciation on right-of-use asset		-	233
Gain on disposal of investments at fair value through profit or loss	32	(179,182)	(59,414)
Gain on disposal of property, plant and equipment - net	32	(75,949)	(6,849)
Gain on disposal of investment properties	32	-	(23,500)
Gain on disposal of non-current assets classified as held for sale	32	(8,239)	-
Net exchange (gain) / loss	31 and 32	(10,357)	3,264
Dividend income	32	(105,474)	(314,154)
Reversal of provision for electricity duty	28	(146,363)	-
Reversal of allowance for expected credit loss	20.5	(38,249)	(149,802)
(Reversal of provision) / provision for slow moving, obsolete and damaged store items	18.2	(2,369)	22,910
Provision for workers' profit participation fund	8.4	107,978	105,988
Provision for workers' welfare fund	8.5	41,032	40,276
Unrealised gain on re-measurement of investments at fair value through profit or loss	32	(167,264)	(128,467)
Finance cost		189,894	407,343
Profit on bank deposits	32	(18,778)	(60,868)
Return on term deposit receipts	32	(26,853)	(20,780)
Working capital changes	37.1	(1,801,034)	93,020
		550,943	2,686,967
37.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		85,284	(183,183)
- Stock in trade		(1,422,555)	(168,555)
- Trade debts		(415,732)	437,009
- Loans and advances		25,117	(61,048)
- Trade deposits and short term prepayments		(2,911)	(64,305)
- Other receivables		(221,573)	(261,058)
		(1,952,370)	(301,140)
Increase in trade and other payables		151,336	394,160
		(1,801,034)	93,020

Notes to the Financial Statements

For the year ended 30 June 2025

37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities.

		2025			Total
		Liabilities from financing activities			
		Long term financing	Short term borrowings	Unclaimed dividend	
		----- (Rupees in thousand) -----			
	Balance as at 01 July 2024	3,624,454	977,007	7,313	4,608,774
	Repayment of financing	(717,885)	-	-	(717,885)
	Short term borrowings - net	-	187,732	-	187,732
	Dividend declared	-	-	244,048	244,048
	Dividend paid	-	-	(242,784)	(242,784)
	Other changes - non-cash movement	156,577	-	-	156,577
	Balance as at 30 June 2025	3,063,146	1,164,739	8,577	4,236,462

	2024				Total
	Liabilities from financing activities				
	Long term financing	Lease liability	Short term borrowings	Unclaimed dividend	
	------(Rupees in thousand)-----				
Balance as at 01 July 2023	4,053,946	566	1,226,258	7,313	5,288,083
Repayment of financing	(597,322)	-	-	-	(597,322)
Repayment of lease liability	-	(566)	-	-	(566)
Short term borrowings - net	-	-	(249,251)	-	(249,251)
Dividend declared	-	-	-	44,372	44,372
Dividend paid	-	-	-	(44,372)	(44,372)
Other changes - non-cash movement	167,830	-	-	-	167,830
Balance as at 30 June 2024	3,624,454	-	977,007	7,313	4,608,774

	Note	2025 (Rupees in thousand)	2024
Non-cash financing activities			
Other changes - non-cash movement		156,577	167,830

Notes to the Financial Statements

For the year ended 30 June 2025

38. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2025 of Rupees 5 per share (2024: Rupee 5 per share) along with issuance of bonus shares @ ____ (2024: Nil) at their meeting held on October 27, 2025. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company is as follows:

	Chief Executive Officer		Director		Executives	
	2025	2024	2025	2024	2025	2024
	----- (Rupees in thousand) -----					
Managerial remuneration	15,812	15,812	27,172	26,112	71,651	57,325
Allowances						
House rent	5,534	5,534	9,897	9,139	30,877	24,318
Reimbursement of expenses	456	456	3,423	2,255	-	-
Other allowance	1,582	1,582	2,780	2,748	8,395	6,671
Contribution to provident fund trust	988	988	2,130	1,878	5,491	4,298
	24,372	24,372	45,402	42,132	116,414	92,612
No. of persons	1	1	2	2	29	23

39.1 Chief Executive Officer, directors and certain executives of the Company are provided with Company maintained vehicles.

39.2 Aggregate amount charged in the financial statements for meeting fee to seven directors (2024: seven directors) was Rupees 0.975 million (2024: Rupees 0.650 million).

39.3 Amount charged in these financial statements for travelling, conveyance and other expenses of directors of the Company was Rupees 22.257 million (2024: Rupees 11.629 million).

39.4 No remuneration was paid to non-executive directors of the Company.

Notes to the Financial Statements

For the year ended 30 June 2025

40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, joint ventures, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2025 (Rupees in thousand)	2024
Crescent powertec Limited - associated company		
Purchase of electricity	27,574	2,433
Sale of goods	60	37
Dividend paid	107,857	19,610
Nil (2024:1,961,031) bonus shares issued during the year as fully paid bonus shares		
The Crescent Textile Mills Limited - associated company		
Sale of goods	-	45,554
Purchase of goods	-	20,045
Dividend earned	-	2,061
Premier Insurance Limited - associated company		
Insurance expense	63,730	53,480
Insurance claim received	6,705	14,612
Dividend paid	8,134	1,479
Nil (2024:147,882) bonus shares issued during the year as fully paid bonus shares		
Shams Textile Mills Limited - associated company		
Sale of property, plant and equipment	14,750	-
Sale of goods	175,104	-
Crescent Fibers Limited - associated company		
Purchase of goods	-	192,738
ACME Mills (Private) Limited - associated company		
Sale of goods	138,257	20,768
Equity Textiles Limited - associated company		
Purchase of goods	208,832	-
Sale of goods	823	-
Bridgeline Global Logistics (Private) Limited - former associated company		
Freight services	-	51,782

Notes to the Financial Statements

For the year ended 30 June 2025

	2025 (Rupees in thousand)	2024
First Equity Modaraba - associated undertaking		
Investment made	4,189	229
Crescent Steel and Allied Products Limited - associated company		
Dividend earned	4,772	2,444
Directors and their family members		
Dividend paid	72,718	12,988
Nil (2024: 1,298,816) bonus shares issued during the year as fully paid bonus shares		
Other related parties		
Company's contribution to provident fund trust	67,067	49,261

42.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 39.

42.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2025	2024	
Crescent Powertech Limited	Common directorship	Yes	Yes	None
Premier Insurance Limited	Common directorship	Yes	Yes	3%
S2 Hydro Limited	Joint Venture	No	No	48%
S2 Power Limited	Joint Venture	No	No	48%
S2 Solar Limited	Joint Venture	No	No	50%
Shams Textile Mills Limited	Common directorship	Yes	No	None
The Crescent Textile Mills Limited	Common directorship	No	Yes	2.06%
Crescent Fibres Limited (Note 40.2.1)	Common directorship		Yes	None
ACME Mills (Private) Limited	Common directorship	Yes	Yes	None
Premier Financial Services (Private) Limited	Common directorship	No	No	9.77%
First Equity Modaraba	Modarba managed by associated company	Yes	Yes	5.38%
ICON Global (Private) Limited	Common directorship	No	No	None
Service Industries Limited	Common directorship	No	No	None
Bhikki Spinning Mills (Private) Limited	Common directorship	No	No	None
Crescent Steel and Allied Products Limited	Common directorship	Yes	Yes	1.57%
Bridgeline Global Logistics (Private) Limited	Common directorship		Yes	None
Mohammad Amin Mohammad Bashir Limited	Common directorship	No	No	None
Suraj Brands (Private) Limited	Common directorship	No	No	None
Suraj Fabrics Limited	Common directorship	No	No	None
Equity Textiles Limited	Common directorship	Yes	No	None
LSE Ventures Limited	Common directorship	No	No	None
LSE Financial Services Limited	Common directorship	No	No	None
LSE Capital Limited	Common directorship	No	No	None
Jubilee Spinning and Weaving Mills Limited	Common directorship	No	No	None
Crescent Educational Trust	Director is trustee of the Trust	No	No	None
Suraj Cotton Mills Employees Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None

Notes to the Financial Statements

For the year ended 30 June 2025

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2025	2024	
Mr. Nadeem Maqbool	Chief Executive	Yes	Yes	None
Mr. Khalid Bashir	Director	Yes	Yes	None
Mr. Adil Bashir	Director	Yes	Yes	None
Mr. Ahsan Bashir	Director	Yes	Yes	None
Mr. Humayun Maqbool (Note 40.2.1)	Director	Yes	Yes	None
Ms. Maheen Hisham Adamjee	Director	Yes	Yes	None
Mr. Asif Bashir	Director	Yes	Yes	None
Mr. Muhammad Iqbal	Director	Yes	Yes	None
Mr. Shams Rafi	Director	Yes	Yes	None

40.2.1 Ceased to be a related party with effect from 1 July 2024.

40.2.2 Ceased to be a related party with effect from 18 April 2024.

41. PROVIDENT FUND

As at the reporting date, the Suraj Cotton Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

	2025	2024
42. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	2,290	2,806
Average number of employees during the year	2,306	2,753

43. SEGMENT INFORMATION

43.1 The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Weaving: Production of different quality of greige fabric using yarn.

Transactions between operating segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases have been eliminated from the total.

Notes to the Financial Statements

For the year ended 30 June 2025

	Spinning		Weaving		Elimination of Inter-segment transactions		Total - Company	
	2025	2024	2025	2024	2025	2024	2025	2024
------(Rupees in thousand)-----								
Revenue								
External	10,900,927	14,438,395	16,510,531	15,305,895	-	-	27,411,458	29,744,290
Inter-segment	8,415,755	7,676,661	-	-	(8,415,755)	(7,676,661)	-	-
	19,316,682	22,115,056	16,510,531	15,305,895	(8,415,755)	(7,676,661)	27,411,458	29,744,290
Cost of sales								
External	(17,984,796)	(12,976,799)	(7,139,643)	(14,371,327)	-	-	(25,124,439)	(27,348,126)
Inter-segment	(434,890)	(7,676,661)	(7,980,865)	-	8,415,755	7,676,661	-	-
	(18,419,686)	(20,653,460)	(15,120,508)	(14,371,327)	8,415,755	7,676,661	(25,124,439)	(27,348,126)
Gross profit	896,996	1,461,596	1,390,023	934,568	-	-	2,287,019	2,396,164
Distribution cost	(46,125)	(137,119)	(222,011)	(149,821)	-	-	(268,136)	(286,940)
Administrative expenses	(232,799)	(223,090)	(71,184)	(94,738)	-	-	(303,983)	(317,828)
	(278,924)	(360,209)	(293,195)	(244,559)	-	-	(572,119)	(604,768)
Profit before levy and taxation and unallocated expenses	618,072	1,101,387	1,096,828	690,009	-	-	1,714,900	1,791,396
Unallocated income and expenses:								
Other expenses							(159,789)	(179,684)
Other income							645,324	769,127
Finance cost							(189,894)	(407,343)
Levy							(131,612)	(229,069)
Taxation							(760,246)	(738,009)
Profit after taxation							1,118,683	1,006,418

Notes to the Financial Statements

For the year ended 30 June 2025

	Spinning		Weaving		Total - Company	
	2025	2024	2025	2024	2025	2024
------(Rupees in thousand)-----						
43.2 Reconciliation of reportable segment assets and liabilities						
Total assets for reportable segments	14,764,377	12,929,478	6,446,822	6,298,637	21,211,199	19,228,115
Unallocated assets:						
Investment properties					472,690	472,690
Long term investments					1,364,971	1,028,838
Short term investments					1,238,626	2,094,845
Non-current assets classified as held for sale					6,666	22,465
Total assets as per statement of financial position					24,294,152	22,846,953
Total liabilities for reportable segments	5,771,118	4,837,050	2,892,665	4,186,783	8,663,783	9,023,833
Unallocated liabilities:						
Unallocated:						
Deferred liabilities					1,586,297	1,253,030
Provision for taxation and levy - net					489,700	427,765
Unclaimed dividend					8,577	7,313
Total liabilities as per statement of financial position					10,748,357	10,711,941
43.3 Geographical information						
The company's revenue from external customers by geographical locations is detailed below:						
Pakistan					26,456,927	29,221,176
Italy					29,967	28,118
Portugal					850,869	328,779
Turkey					-	32,711
Sri Lanka					2,170	1,999
Romania					-	15,452
Germany					34,896	69,002
China					36,629	47,053
					27,411,458	29,744,290

43.4 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

43.5 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

Notes to the Financial Statements

For the year ended 30 June 2025

		2025	2024
		(Figures in thousand)	
44. PLANT CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100 % plant capacity converted to 20s count based on 3 shifts per day.	Kgs.	57,984	58,577
Actual production converted to 20s count based on 3 shifts per day.	Kgs.	46,515	49,803
Weaving			
100 % plant capacity at 50 picks based on 3 shifts per day.	Sq.Mtr.	156,166	189,873
Actual production converted to 50 picks based on 3 shifts per day.	Sq.Mtr.	146,713	140,619

44.1 Reason for low production

Under utilization of available capacity for spinning and weaving is mainly due to low demand.

45. FINANCIAL RISK MANAGEMENT

45.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Notes to the Financial Statements

For the year ended 30 June 2025

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to amounts receivable from foreign entities. The Company's exposure to currency risk was as follows:

	2025	2024
Trade debts - USD	223,711	-
Trade debts - Euro	102,510	-
Net Exposure - USD	223,711	-
Net Exposure - Euro	102,510	-
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	279.48	278.15
Reporting date rate	283.76	278.34
Rupees per Euro		
Average rate	304.82	306.17
Reporting date rate	332.66	297.69

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against USD and Euro with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 4.538 million (2024: Rupees Nil) higher / lower mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's equity investments. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Notes to the Financial Statements

For the year ended 30 June 2025

	Impact on profit before taxation	Impact on statement of other comprehensive income (fair value reserve on FVTOCI investments)
	2025	
	------(Rupees in thousand)-----	
PSX 100 (5% increase)	36,264	67,979
PSX 100 (5% decrease)	(36,264)	(67,979)
	2024	
	------(Rupees in thousand)-----	
PSX 100 (5% increase)	19,145	51,149
PSX 100 (5% decrease)	(19,145)	(51,149)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2025 (Rupees in thousand)	2024
Fixed rate instruments		
Financial liabilities		
Long term financing	3,048,719	3,606,253
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	128,685	364,820
Financial liabilities		
Long term financing	14,427	18,201
Short term borrowings	1,164,739	977,007

Notes to the Financial Statements

For the year ended 30 June 2025

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before levy and taxation for the year would have been Rupees 9.769 million (2024: Rupees 5.863 million) lower / higher mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Long term investments	1,359,786	1,023,180
Long term deposits	129,284	19,067
Trade debts	3,220,558	2,756,220
Loans and advances	9,819	14,535
Security deposits	69,065	60,761
Other receivables	57,179	24,079
Short term investments	1,238,626	2,094,845
Bank balances	162,250	377,757
	6,246,567	6,370,444

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Short Term	Long term	Agency		
Banks					
MCB Bank Limited	A1+	AAA	PACRA	33,668	46,746
National Bank of Pakistan	A1+	AAA	PACRA	146	594
United Bank Limited	A1+	AAA	VIS	10,073	898
Allied Bank Limited	A1+	AAA	PACRA	314	80,834
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	360	469
Habib Bank Limited	A1+	AAA	VIS	16,562	1,183
Bank AL Habib Limited	A1+	AAA	PACRA	414	18,409
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	97	97
Finca Microfinance Bank Limited	A3	BBB+	PACRA	3,997	1,153
MCB Islamic Bank Limited	A1+	A+	PACRA	35,276	224,568
Samba Bank Limited	A1	AA	PACRA	63	-
Bank Alfalah Limited	A1+	AAA	PACRA	60,783	2,704
Meezan Bank Limited	A1+	AAA	VIS	497	102
				162,250	377,757

Notes to the Financial Statements

For the year ended 30 June 2025

	Rating			2025	2024
	Short Term	Long term	Agency	(Rupees in thousand)	
Investments					
Premier Insurance Limited	Unknown	A(ifs)	PACRA	8,716	7,664
The Crescent Textile Mills Limited	A-2	A-	VIS	49,373	27,530
Kot Addu Power Company Limited	A1	A+	VIS	17,315	17,383
Nishat Mills Limited	A1+	AA	PACRA	116,439	79,706
Pakistan State Oil Company Limited	A1+	AA+	VIS	37,753	32,969
Oil & Gas Development Company Limited	A1+	AAA	VIS	154,392	87,991
The Searle Company Limited	A1	AA-	VIS	28,330	18,452
D.G. Khan Cement Company Limited	A1+	AA-	PACRA	159,335	109,444
Fauji Fertilizer Company Limited	A1+	AA+	PACRA	137,344	53,099
Fatima Fertilizer Company Limited	A1+	AA+	PACRA	45,705	28,597
Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited)	A1+	AA+	PACRA	1,925	1,564
Engro Fertilizers Limited	A1+	AA	PACRA	213,530	265,952
Crescent Steel and Allied Products Limited	A2	A-	VIS	57,830	66,000
United Bank Limited	A1+	AAA	VIS	110,766	56,552
Kohinoor Textile Mills Limited	A1	A+	VIS	49,154	49,685
Attock Refinery Limited	A1+	AA	PACRA	78,133	43,949
MCB Bank Limited	A1+	AAA	PACRA	57,708	45,436
Habib Bank Limited	A1+	AAA	VIS	35,838	31,008
TCC Management Services (Private) Limited		Unknown		200	200
Samba Bank Limited	A1	AA	PACRA	15,780	19,266
Fauji Cement Company Limited	A1+	AA-	PACRA	80,406	38,661
GlaxoSmithKline Pakistan Limited		Unknown		38,955	11,464
TPL Corp Limited	A1	A	PACRA	941	750
First Equity Modaraba		Unknown		15,688	4,976
Nishat Chunian Power Limited	A2	A+	VIS	19,448	23,960
TRG Pakistan Limited - Class 'A'		Unknown		-	6,205
Aisha Steel Mills Limited	A2	BBB+	VIS	9,596	6,289
Lucky Core Industries Limited	A1+	AA	VIS	15,893	9,295
Arif Habib Corporation Limited		Unknown		-	4,851
Power Cement Limited	A2	A-	VIS	27,160	11,000
Sui Northern Gas Pipelines Limited	A1+	AA+	VIS	11,671	6,347
Service Global Footwear Limited	A1	A+	VIS	25,348	45,723
Hi-Tech Lubricants Limited	A2	A-	VIS	43,286	34,234
Azgard Nine Limited		Unknown		16,545	11,325
National Refinery Limited	A1	AA	PACRA	18,252	19,911
Netsol Technologies Limited		Unknown		17,285	17,649

Notes to the Financial Statements

For the year ended 30 June 2025

	Rating			2025	2024
	Short Term	Long term	Agency	(Rupees in thousand)	
Maple Leaf Cement Factory Limited	A1	A	VIS	95,194	11,400
The Hub Power Company Limited	A1+	AA+	PACRA	62,754	6,583
Bank Alfalah Limited	A1+	AAA	PACRA	48,200	50,497
Fast Cables Limited	A2	A-	VIS	44,209	42,520
Interloop Limited	A1	AA-	VIS	13,552	-
Systems Limited		Unknown		40,818	-
Lucky Cement Limited	A1+	AA+	VIS	12,433	-
The Bank of Punjab	A1+	AA+	PACRA	10,350	-
The Organic Meat Company Limited	A1	A	VIS	16,440	-
Mari Energies Limited	A1+	AAA	PACRA	25,076	-
Alfalah GHP Money Market Fund B Growth units		AA+(f)	PACRA	-	178,209
NBP Money Market Fund		AA(f)	PACRA	-	269,179
Atlas Money Market Fund		AA+(f)	PACRA	-	294,390
ABL Cash Fund		AA+(f)	PACRA	-	176,596
HBL Cash Fund		AA+(f)	VIS	-	176,926
UBL Liquidity Plus Fund		AA+(f)	VIS	-	3
MCB Cash Management Optimizer		AA+(f)	PACRA	-	181,323
Faysal Islamic Cash Fund		A(f)	PACRA	458	210,813
NBP Islamic Stock Fund		3-Star	PACRA	55,410	-
Samba Bank Limited	A1	AA	PACRA	92,458	-
MCB Islamic Bank Limited	A1+	A+	PACRA	309,697	224,500
NBP Stock Fund		4-Star	PACRA	55,323	-
				2,598,412	3,118,026
				2,760,662	3,495,783

Notes to the Financial Statements

For the year ended 30 June 2025

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest, and the inflation index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows:

At 30 June 2025

	Local Sales			Export Sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
		(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	0.00%	2,005,080	-	0%	-	-
Up to 30 days	0.03%	882,805	229	0.03%	2,225	1
31 to 60 days	0.20%	72,182	143	0.20%	31,876	63
61 to 90 days	1.71%	85,910	1,469	1.71%	-	-
91 to 180 days	6.37%	84,273	5,369	6.37%	-	-
181 to 360 days	9.06%	-	-	9.06%	-	-
360 days and above	100.00%	39,894	39,894	100.00%	-	-
		3,170,144	47,104		34,101	64
Trade debts which are not subject to risk of default		-	-		63,481	-
Total		3,170,144	47,104		97,582	64

At 30 June 2024

Not past due	0.00%	2,160,846	-
Up to 30 days	3.57%	459,377	16,417
31 to 60 days	8.38%	117,683	9,859
61 to 90 days	23.18%	29,770	6,901
91 to 180 days	43.67%	19,236	8,400
181 to 360 days	45.44%	19,949	9,064
360 days and above	100.00%	34,776	34,776
		2,841,637	85,417
Trade debts which are not subject to risk of default		-	-
Total		2,841,637	85,417

Notes to the Financial Statements

For the year ended 30 June 2025

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2025, the Company had Rupees 5,015.565 million (2024: Rupees 4,880.186 million) available borrowing limits from financial institutions and Rupees 163.444 million (2024: Rupees 378,804 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2025

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 year	More than 2 years
----- (Rupees in thousand) -----						
Non-derivative financial liabilities:						
Long term financing	3,063,146	3,808,224	411,508	388,208	773,888	2,234,620
Trade and other payables	2,867,496	2,867,496	2,867,496	-	-	-
Accrued mark-up	38,841	38,841	38,841	-	-	-
Short term borrowings	1,164,739	1,172,843	897,508	275,335	-	-
Unclaimed dividend	8,577	8,577	8,577	-	-	-
	7,142,799	7,895,981	4,223,930	663,543	773,888	2,234,620

Contractual maturities of financial liabilities as at 30 June 2024

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 year	More than 2 years
----- (Rupees in thousand) -----						
Non-derivative financial liabilities:						
Long term financing	3,624,454	4,615,748	385,557	408,533	801,960	3,019,698
Trade and other payables	3,059,422	3,059,422	3,059,422	-	-	-
Accrued mark-up	58,277	58,277	58,277	-	-	-
Short term borrowings	977,007	995,381	995,381	-	-	-
Unclaimed dividend	7,313	7,313	7,313	-	-	-
	7,726,473	8,736,141	4,505,950	408,533	801,960	3,019,698

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 10 to these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2025

	FVTPL	Amortised cost	FVTOCI
	----- (Rupees in thousand) -----		
45.2 Financial instruments by categories			
As at 30 June 2025			
Assets as per statement of financial position			
Long term investments	-	-	1,359,786
Long term deposits	-	129,284	-
Trade debts	-	3,220,558	-
Loans and advances	-	9,819	-
Security deposits	-	69,065	-
Other receivables	-	57,179	-
Short term investments	836,471	402,155	-
Cash and bank balances	-	163,444	-
	836,471	4,051,504	1,359,786
As at 30 June 2024			
Assets as per statement of financial position			
Long term investments	-	-	1,023,180
Long term deposits	-	19,067	-
Trade debts	-	2,756,220	-
Loans and advances	-	14,535	-
Security deposits	-	60,761	-
Other receivables	-	24,079	-
Short term investments	1,870,345	224,500	-
Cash and bank balances	-	378,804	-
	1,870,345	3,477,966	1,023,180
		Financial liabilities at amortized cost	
		2025	2024
		(Rupees in thousand)	
Liabilities as per statement of financial position			
Long term financing		3,063,146	3,624,454
Trade and other payables		2,867,496	3,059,422
Accrued mark-up		38,841	58,277
Short term borrowings		1,164,739	977,007
Unclaimed dividend		8,577	7,313
		7,142,799	7,726,473

Notes to the Financial Statements

For the year ended 30 June 2025

45.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	(RUPEES IN THOUSAND)		
Assets			
Long term investments	1,359,786	5,185	1,364,971
Long term deposits	129,284	-	129,284
Trade debts	3,220,558	-	3,220,558
Loans and advances	9,819	134,352	144,171
Short term deposits and prepayments	69,065	12,129	81,194
Other receivables	57,179	911,009	968,188
Short term investments	1,238,626	-	1,238,626
Cash and bank balances	163,444	-	163,444
	6,247,761	1,062,675	7,310,436

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	(RUPEES IN THOUSAND)		
Liabilities			
Long term financing	3,063,146	-	3,063,146
Trade and other payables	2,867,496	968,863	3,836,359
Accrued mark-up	38,841	-	38,841
Short term borrowings	1,164,739	-	1,164,739
Unclaimed dividend	8,577	-	8,577
	7,142,799	968,863	8,111,662

Notes to the Financial Statements

For the year ended 30 June 2025

	2024		Assets as per statement of financial position
	Financial assets	Non-financial assets	
	(RUPEES IN THOUSAND)		
Assets			
Long term investments	1,023,180	5,658	1,028,838
Long term deposits	19,067	-	19,067
Trade debts	2,756,220	-	2,756,220
Loans and advances	14,535	154,753	169,288
Short term deposits and prepayments	60,761	17,522	78,283
Other receivables	24,079	722,536	746,615
Short term investments	2,094,845	-	2,094,845
Cash and bank balances	378,804	-	378,804
	6,371,491	900,469	7,271,960

	2024		Liabilities as per statement of financial position
	Financial liabilities	Non-financial liabilities	
	(RUPEES IN THOUSAND)		
Liabilities			
Long term financing	3,624,454	-	3,624,454
Trade and other payables	3,059,422	728,942	3,788,364
Accrued mark-up	58,277	-	58,277
Short term borrowings	977,007	-	977,007
Unclaimed dividend	7,313	-	7,313
	7,726,473	728,942	8,455,415

45.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

Notes to the Financial Statements

For the year ended 30 June 2025

45.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in note 6 and note 10 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remained unchanged from last year.

		2025	2024
		(Rupees in thousand)	
Borrowings	Rupees in thousand	4,773,311	5,303,464
Total equity	Rupees in thousand	13,545,795	12,135,012
Total capital employed	Rupees in thousand	18,319,106	17,438,476
Gearing ratio	Percentage	26.06	30.41

The decrease in the gearing ratio resulted from decrease in borrowings of the Company.

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Notes to the Financial Statements

For the year ended 30 June 2025

Recurring fair value measurements At 30 June 2025				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Financial assets				
Fair value through other comprehensive income	1,359,786	-	-	1,359,786
Fair value through profit or loss	836,471	-	-	836,471
Total financial assets	2,196,257	-	-	2,196,257

Recurring fair value measurements At 30 June 2024				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Financial assets				
Fair value through other comprehensive income	1,023,180	-	-	1,023,180
Fair value through profit or loss	1,870,345	-	-	1,870,345
Total financial assets	2,893,525	-	-	2,893,525

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Asset Value (NAV) by respective Asset Management Company.

Notes to the Financial Statements

For the year ended 30 June 2025

47. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties	-	842,728	-	842,728
At 30 June 2024	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Investment properties	-	794,600	-	794,600

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

iii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment properties at the end of every financial year. The fair values of the investment properties have been determined by Jasper & Jasper (an approved valuer).

Changes in fair values are analysed at the end of each year during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Notes to the Financial Statements

For the year ended 30 June 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024
48. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES			
Description			
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		185,737	197,523
Interest or mark-up accrued on any conventional loan or advance		20,630	45,063
Long-term and short-term Shariah compliant Investments		1,608,416	2,402,751
Shariah-compliant bank deposits, bank balances, and TDRs		345,468	449,652
Revenue earned from a Shariah-compliant business segment	27	27,411,458	29,744,290
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates			
Dividend income		53,650	278,272
Gain on disposal of investments at fair value through profit or loss		177,361	58,674
Unrealised gain on re-measurement of investments at fair value through profit or loss		160,622	88,624
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs			
Profit on deposits with banks		2,560	13,009
Return on term deposit receipts		24,198	20,780
Exchange gain earned from actual currency		10,357	-
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		32,113	13,902
Total Interest earned on any conventional loan or advance			
Profit earned on deposits with banks		16,218	47,859
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income (Note 32)			
Shariah-compliant			
Dividend income		53,650	278,272
Profit on deposits with banks		2,560	13,009
Return on term deposit receipts		24,198	20,780
Gain on disposal of investments at fair value through profit or loss		177,361	58,674
Unrealised gain on re-measurement of investments at fair value through profit or loss		160,622	88,624
Reversal of provision for slow moving, obsolete and damaged store items		2,369	-
Reversal of allowance for expected credit loss - trade debts		38,249	149,802
Gain on disposal of property, plant and equipment - net		75,949	6,849
Gain on disposal of non-current assets classified as held for sale		8,239	-
Gain on sale of stores, spare parts and loose tools		5,169	-
Net exchange gain		10,357	-
Gain on disposal of investment properties		-	23,500
Scrap sales		7,441	5,293

Notes to the Financial Statements

For the year ended 30 June 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024
Non compliant			
Dividend income		51,824	35,882
Return on term deposit receipts		2,655	-
Profit on deposits with banks		16,218	47,859
Gain on disposal of investments at fair value through profit or loss		1,821	740
Unrealised gain on re-measurement of investments at fair value through profit or loss		6,642	39,843

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Meezan Bank Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance and short term borrowings
Dubai Islamic bank Limited	Bank balance
National Bank of Pakistan (Aitemaad Current Account)	Bank balance

51. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2025	2024	2025	2024
	(RUPEES IN THOUSAND)			
Total facilities	5,150,000	2,899,278	9,788,876	10,183,650
Utilized at the end of the year	2,181,133	1,102,578	4,773,311	5,303,464
Unutilized at the end of the year	2,968,867	1,796,700	5,015,565	4,880,186

52. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **September 26, 2025** by the Board of Directors of the Company.

51. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassification have been made except term deposits under lien of Rupees 224.500 million have been reclassified to short term investments from security deposits for better presentation.

Notes to the Financial Statements

For the year ended 30 June 2025

52. GENERAL

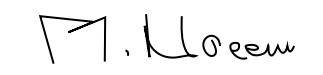
Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Gender pay gap statement under Circular No. 10 of 2025

Following is gender pay gap calculated for the year ended 30 June 2025

(i)	Mean Gender pay gap:	(176%)
(ii)	Median Gender Pay gap:	(112%)
(iii)	Any other data/ details as deemed relevant.	-

The Board is committed to formulate a gender diversity policy for recruitment, promotion, gender pay gap analysis, retention and development of female employees.



Chief Executive Officer on behalf of Board of Directors of the Company

Date: 26 September 2025

Notice of Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting ("AGM") of the shareholders of Suraj Cotton Mills Limited (the "Company") will be held on Monday, October 27, 2025 at 10:00 A.M. at the Registered Office of the Company, i.e., Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditor's Reports thereon and the Review Report of the Chairman.

In accordance with Section 223(7) of the Companies Act, 2017, and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website, which can be downloaded from the following Weblink and QR-enabled code.



<https://www.suraj.com/wp-content/uploads/2025/10/AnnualReport2025.pdf>

2. To approve the final cash dividend of Rs. 5 per share, i.e., @ 50% as recommended by the Board of Directors for the year ended June 30, 2025
3. To appoint Auditors and fix their remuneration for the next Annual General Meeting. The members are hereby given notice that the Audit Committee and Board of Directors have recommended the name of retiring auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditor of the Company.
4. To transact any other ordinary business of the Company with the permission of the Chairman.

By Order of the Board

Shahzad Nazir

Company Secretary

Lahore: October 06, 2025

NOTES:

1- Closure of Member Register and Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 21, 2025 to October 27, 2025 (both days inclusive). Transfers received in order at the company's Share Registrar Office, M/s Corptec Associates Private Limited, 503-E, Johar Town, Lahore, by the close of business hours on or before October 20, 2025, will be considered in time for entitlement of the final cash dividend and to attend and vote at the AGM.

2- For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in a group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original CNIC or original passport at the time of attending the meeting. In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

Notice of Annual General Meeting

3- For Appointing Proxies

A member entitled to attend and vote at this General Meeting may appoint another member as his/her proxy to attend, speak, and vote on his/her behalf. The duly completed Proxy Form, accompanied by a copy of the CNIC of the proxy, must be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting. The Proxy Form shall be witnessed by two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form. In the case of a corporate entity, a Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee and a copy of the nominee's CNIC, must be submitted at least 48 hours before the time of the meeting. The Proxy Form in English and Urdu is annexed with the Notice of Meeting and is also available on the Company's website.

4- Participation in the AGM proceedings via the Video Conference Facility:

The members may also participate in the Annual General Meeting (AGM) through the video link facility. To attend the AGM via video link, members and their proxies are requested to register by sending an email to info@corptec.com.pk with the following particulars:

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with those shareholders whose emails, containing all the required particulars, are received at the given email address at least 48 hours before the close of business before the AGM. Shareholders may also include their comments and questions relating to the agenda items of the AGM in their email at the time of registration

5- Updating of particulars:

The Shareholders are requested to notify the Company's Share Registrar without delay in case of any change of address. In the case of corporate entities, any modification in the particulars of the authorized representative, if applicable, should also be promptly reported.

6- Submission of copies of valid CNIC not provided earlier:

Individual shareholders are reminded to provide a copy of their valid CNIC to the Company's Share Registrar, if not already submitted. In the absence of a valid CNIC on record, the Company will be constrained to withhold the dividend in accordance with Section 243 of the Companies Act, 2017.

7- Zakat Declarations:

The members of the Company are required to submit a Declaration for Zakat exemption in terms of the Zakat and Ushr Ordinance, 1980.

8- Withholding Tax on Dividend:

The deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, is as under:

(a) For Persons appearing in the Active Tax Payer list (ATL): 15%

(b) For Persons not appearing in the Active Tax Payer list (ATL): 30%

Shareholders who have filed their Return are advised to make sure that their names are entered into the latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as persons not appearing in ATL and tax will be deducted at the rate of 30%, instead of 15%.

Further, you are therefore requested to please provide us with the following details:

Name	Folio No. / CDC Account No.	National Tax No.	CNIC No. (for individual only) enclose a copy of valid CNIC, if not already provided

Notice of Annual General Meeting

9- Withholding tax on Dividend in case of Joint Account Holders:

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 20, 2025, otherwise each shareholder will be assumed to have an equal proportion of shares and the tax will be deducted accordingly.

10-Payment of Cash Dividend Electronically (E-mandate):

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, an electronic dividend mandate on the E-Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

11- Replacement of Physical Shares with Book-entry Form

As per Section 72 of The Companies Act, 2017 every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e., May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares to the book entry form. For this purpose, the shareholders may open a CDC Sub-account with any of the brokers or an investor account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per the existing Regulations of the Pakistan Stock Exchange Limited.

12- Electronic transmission of Annual Report 2025

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended 30 June 2025, along with Auditors' and Directors' Reports thereon, and Chairman's Review on the website of the Company: www.suraj.com.

13- Any other Information

For any queries or further information, please contact the Share Registrar, M/s Corptec Associates (Pvt.) Limited, 503 - E, Johar Town, Lahore, at Phone: 042-35170336-7, Email: info@corptec.com.pk

اطلاع سالانہ اجلاس عام

مذکورہ بالا پتہ پر کمپنی کے رجسٹرار کو فراہم کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، یہی معلومات اپ ڈیٹنگ اور کمپنی کو بھیجنے کے لئے سی ڈی ایس پارٹنیشنس کو فراہم کی جانی چاہئیں۔ جمع نہ ہونے کی صورت میں، آئندہ تمام ڈیویڈنڈ ادائیگیاں روکی جاسکتی ہیں۔

11۔ مادی حصص کی بک انٹری شکل میں تبدیلی:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر موجودہ کمپنی اپنے فزیکل شیئرز کو بک انٹری شکل کے ساتھ بیان کئے گئے انداز میں اور ایس ای سی پی کی طرف سے مطلع کردہ تاریخ سے، کمپنیز ایکٹ، 2017 یعنی 31 مئی 2017 سے شروع ہونے والی زیادہ سے زیادہ چار سال کی مدت کے اندر تبدیل کرے گی۔ فزیکل شکل میں حصص رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو بک انٹری شکل میں تبدیل کریں۔ اس مقصد کے لیے، شیئرز ہولڈرز اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں رکھنے کے لیے کسی بھی بروکرز کے ہاں سی ڈی سی سب اکاؤنٹ یا براہ راست سی ڈی سی کے ہاں انویسٹر اکاؤنٹ کھول سکتے ہیں۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا جس میں حصص کی محفوظ تحویل اور کسی بھی وقت جب وہ چاہیں فروخت کر سکیں گے کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

12۔ سالانہ رپورٹ 2025 کی الیکٹرونک ترسیل:

کمپنی 30 جون 2025ء محترمہ سال کیلئے AGM نوٹس کی کاپی، سالانہ مالی حسابات مع ان پر آڈیٹران اور ڈائریکٹران اور چیئرمین کی جائزہ رپورٹس اپنی ویب سائٹ www.suraj.com پر رکھ چکی ہے۔

13۔ کوئی دیگر معلومات:

کسی بھی استفسار/معلومات کے لیے، براہ کرم شیئرز رجسٹرار میسرز کارپ بیک ایسوسی ایٹس پرائیویٹ لمیٹڈ، E-503، جوہر ٹاؤن، لاہور، فون نمبر 042-35170336، ای میل info@corptec کسی بھی استفسار/معلومات کے لیے، براہ کرم شیئرز رجسٹرار میسرز کارپ بیک ایسوسی ایٹس پرائیویٹ لمیٹڈ، E-503، جوہر ٹاؤن، لاہور، فون نمبر 042-35170336، ای میل info@corptec اور/یا کمپنی: فون نمبر 042 35760381، ای میل ایڈریس: corp.info@suraj.com پر رابطہ کریں۔

اطلاع سالانہ اجلاس عام

4۔ ویڈیو کانفرنس کی سہولت کے ذریعے AGM کی کارروائی میں شرکت:

ممبران ویڈیو لنک کی سہولت کے ذریعے بھی سالانہ اجلاس عام (AGM) میں شرکت کر سکتے ہیں۔ ویڈیو لنک کے ذریعے AGM میں شرکت کے لیے ممبران اور ان کے پراسسز کو ہدایت کی جاتی ہے کہ وہ درج ذیل تفصیلات کے ساتھ info@corptec.com.pk پر ای میل بھیج کر رجسٹر ہوں:

فولیو/سی ڈی سی اکاؤنٹ نمبر	حصص کی تعداد	نام	CNIC نمبر	سیل نمبر	ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی اسناد ان شیئرز ہولڈرز کے ساتھ شیئر کی جانیں گی جن کی ای میلز، تمام مطلوبہ تفصیلات پر مشتمل، دیئے گئے ای میل ایڈریس پر AGM سے پہلے کاروبار کے اختتام سے کم از کم 48 گھنٹے قبل موصول ہوئی ہیں۔ شیئر ہولڈرز رجسٹریشن کے وقت اپنی ای میل میں AGM کے ایجنڈا انٹرمز سے متعلق اپنے تبصرے اور سوالات بھی شامل کر سکتے ہیں۔

5۔ تفصیلات کی اپ ڈیٹنگ:

شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ پتہ میں کسی تبدیلی کی صورت میں بلاتاخیر کمپنی کے شیئر رجسٹر کو مطلع کریں۔ کارپوریٹ اداروں کی صورت میں، مجاز نمائندہ کی تفصیلات میں کسی بھی قسم کی ترمیم، اگر قابل اطلاع ہو، بھی فوری طور پر اطلاع دی جانی چاہیے۔

6۔ کارآمد CNIC کا پتہ جمع کرنا اگر پہلے منسراہم نہیں کی گئیں:

انفرادی شیئر ہولڈرز کو یاد دلایا جاتا ہے کہ وہ اپنے کارآمد CNIC کی ایک کاپی کمپنی کے شیئر رجسٹر کو فراہم کریں، اگر پہلے سے جمع نہیں کرائی گئی ہے۔ ریکارڈ پر کارآمد CNIC کی عدم موجودگی کی صورت میں، کمپنی کمپنیز ایکٹ، 2017 کے سیکشن 243 کے مطابق ڈیویڈنڈ کو روکنے پر مجبور ہوگی۔

7۔ زکوٰۃ ڈیکلیریشن:

کمپنی کے ارکان کو زکوٰۃ اینڈ عشر آرڈیننس 1980 کی شرائط میں زکوٰۃ ایگزیمپشن کے لئے ڈیکلیریشن جمع کرنا ضروری ہے۔

8۔ ڈیویڈنڈ پیرود ہولڈنگ ٹیکس

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت کمپنیوں کی طرف سے ادا کردہ ڈیویڈنڈ کی رقم پر ود ہولڈنگ ٹیکس کی کوئی درج ذیل کے مطابق الگ رکھی گئی ہے:

(a) فعال ٹیکس ادا کنندگان کی فہرست میں ظاہر ہونے والے افراد 15%

(b) فعال ٹیکس ادا کنندگان کی فہرست میں ظاہر نہ ہونے والے افراد 30%

جن شیئر ہولڈرز نے اپنا ریٹرن جمع کر لیا ہے ان کو ہدایت کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ ڈیویڈنڈ کی ادائیگی کے وقت ان کے نام ایف بی آر کی ویب سائٹ پر فراہم کی گئی تازہ ترین ایکٹو ٹیکس بیئرز لسٹ (ATL) میں درج ہیں، بصورت دیگر ان کے ساتھ ATL میں ظاہر نہیں ہو رہے جیسا سلوک کیا جائے گا اور 15% کی بجائے 30% کی شرح سے ٹیکس منہا کیا جائے گا۔

مزید برآں آپ سے درخواست کہ ازراہ کریم درج ذیل تفصیلات ہمیں فراہم کریں:

نام	فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر	قومی ٹیکس نمبر	CNIC نمبر (برائے فرد صرف) کارآمد CNIC کی کاپی لف کریں، اگر پہلے مہیا نہیں کی گئی

9۔ جوائنٹ اکاؤنٹ ہولڈرز کی صورت میں ڈیویڈنڈ پیرود ہولڈنگ ٹیکس:

کمپنی کے ڈیویڈنڈ پیرود ہولڈنگ ٹیکس کی کوئی کے لیے جوائنٹ اکاؤنٹ ہولڈرز (جہاں پر نپل شیئر ہولڈر کی جانب سے شیئر ہولڈنگ کا تعین نہیں کیا گیا ہے) کے شیئر ہولڈنگ تناسب کا تعین کرنے کے لیے کمپنی کو ریگولیشنز کی ہدایات پر عمل کرنے کے قابل بنانے کے لیے، حصص یافتگان کو ہدایت کی جاتی ہے کہ وہ براہ کرم اپنے شیئر ہولڈنگ کے تناسب کی تفصیلات پر نپل شیئر ہولڈر اور ان کے جائز ہولڈر کے طور پر کمپنی کے شیئر رجسٹر کو خود فراہم کریں تاکہ کمپنی اس کے مطابق ہر شیئر ہولڈر کے ود ہولڈنگ ٹیکس کا حساب کر سکے۔ مطلوبہ معلومات 20 اکتوبر 2025 تک کمپنی کے شیئر رجسٹر اسکا لازماً پہنچ جائیں، بصورت دیگر ہر شیئر ہولڈر کے پاس حصص کا مساوی تناسب فرض کیا جائے گا اور اس کے مطابق ٹیکس منہا کیا جائے گا۔

10۔ نقد ڈیویڈنڈ کی الیکٹرونک ڈیلیوری (ای میسڈیسٹ):

کمپنیز ایکٹ 2017 کی دفعہ 242 کی پرویزن کے مطابق لسٹڈ کمپنیوں کے لئے ضروری ہے کہ کوئی قابل ادا ڈیویڈنڈ نقد صورت میں اہل حصص داران کے منسوب بینک اکاؤنٹس میں براہ راست فقط الیکٹرونک طریقہ سے ادا کیا جائے گا۔ اس کے مطابق فریکل شیئر کے حامل حصص داران سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیویڈنڈ فارم پر الیکٹرانک ڈیویڈنڈ مینڈیٹ

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ سورج کاٹن ملز لمیٹڈ کے حصص داران کا 41 واں سالانہ اجلاس عام کمپنی کے رجسٹرڈ دفتر، یعنی ٹرائی کون کارپوریٹ سنٹر، 8th فلور، E-73، مین چیل روڈ، گلبرگ II، لاہور پر بروہی 27 اکتوبر 2025ء کو صبح 10:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1. 30 جون 2025ء کو مختتم سال کیلئے کمپنی کے نظر ثانی شدہ مالی حسابات معائنہ پر ڈائریکٹر ز اور آڈیٹر ز کی رپورٹس کی وصولی، غور و خوض اور منظور کرنا۔
- کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور S.R.O No.389(D)/2023 بتاریخ 21 مارچ 2023 کے مطابق کمپنی کے نوٹس اجلاس اور مالی گوشواروں سمیت سالانہ رپورٹ شیئر ہولڈرز کو ترسیل کردی گئی ہے اور کمپنی کی ویب سائٹ پر بھی اپ لوڈ کی گئی ہے جسے درج ذیل لنک یا کیو آر فعال کوڈ کا استعمال کرتے ہوئے ملاحظہ کیا جاسکتا ہے:



<https://www.suraj.com/wp-content/uploads/2025/10/AnnualReport2025.pdf>

2. 30 جون 2025ء کو مختتم سال کیلئے بورڈ آف ڈائریکٹر ز کی سفارشات کے مطابق حتمی منافع منقسمہ بشرح 50 فیصد یعنی 5/- روپے فی شیئر کی ادائیگی کی منظوری دینا۔
3. اگلے سالانہ اجلاس عام کے اختتام تک عہدہ پر فائز رہنے کے لئے آڈیٹر ز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ ارکان کو بذریعہ ہذا مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹر ز نے کمپنی کے آڈیٹر کے طور پر دوبارہ تقرری کے لئے، ریٹائر ہونے والے آڈیٹر ز، میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کا نام تجویز کیا ہے۔
4. صاحب صدر کی اجازت سے کوئی دیگر امور سرانجام دینا۔

بحکم بورڈ


شہباز ندیر
کمپنی سیکرٹری

لاہور

مورخہ: 06 اکتوبر 2025

نوٹ:

- 1- ارکان کے رجسٹر اور حصص منتقلی کتابوں کی بندش:
- کمپنی کی حصص منتقلی کتابیں 21 اکتوبر 2025ء تا 27 اکتوبر 2025ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹر اور دفتر، میسرز کارپ ایکس ایس پرائیویٹ لمیٹڈ، E-503، جوہر ٹاؤن، لاہور میں 20 اکتوبر 2025ء کو کاروبار کے اختتام تک موصولہ منتقلیاں حتمی منافع منقسمہ اور AGM میں شرکت اور حق رائے دہی کے استحقاق کے لئے بروقت تصور ہوگی۔
- 2- اجلاس میں شرکت کے لئے
- بصورت افراد، اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا وہ افراد جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اصل CNIC یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔ کارپوریٹ ادارہ کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹر ز کی قرارداد/پاور آف اتارنی جس میں نامزد شخص کے نمونہ کے دستخط ہوں (اگر اسے پہلے فراہم نہ کیا گیا ہو) پیش کیا جائے گا۔
- 3- پراسسز کی تفسیری کے لیے:
- اس عام اجلاس میں شرکت کرنے اور ووٹ دینے والی اہل رکن کسی دیگر رکن کو اپنی طرف سے شرکت کرنے، تقریر اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کے CNIC کی کاپی کے ہمراہ باضابطہ طور پر مکمل شدہ پراکسی فارم، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرانا ضروری ہے۔ پراکسی فارم پر دو افراد کی گواہی ہوگی، جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔ ایک کارپوریٹ ادارہ کی صورت میں، بورڈ آف ڈائریکٹر ز کی قرارداد/پاور آف اتارنی، نامزد شخص کے نمونہ کے دستخط اور نامزد کے CNIC کی کاپی کے ساتھ، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کرنا ضروری ہے۔ انگریزی اور اردو زبان میں پراکسی فارم نوٹس اجلاس کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

Suraj Cotton Mills Limited

Mandatory Requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment as Per the Companies Act, 2017

Date: October 06, 2025

Dear Shareholder,

This is to inform you that in accordance with the section 242 of the Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly into the bank account designed by the entitled shareholders. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in book Entry Form) OR to our Share Registrar M/s. Corptec Associates (Pvt) Ltd. 503-E Johar Town Lahore. (in case your shareholding is in Physical Form):

Details of Shareholders	
Name of Shareholders	
Folio / CDS Account No.	
CNIC No. (Copy attached)	
Cell number of shareholders	
Landline number of shareholders, if any	
Email	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK_____ (24 digit) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the Company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and address	
It is stated that the above mentioned information is correct and in case of any change herein, I / We will immediately intimate Participant / Share Registrar accordingly.	
Signature of Shareholders	

Second Fold

Affix Revenue
Stamp

Corptec Associates (Pvt) Ltd.

Shares Registrar: Suraj Cotton Mills Limited
503-E Johar Town Lahore.

Third Fold and Tuck In

First Fold

Suraj Cotton Mills Limited

Notice to the Shareholders in terms of section 244 of the Companies Act 2017, to files their respective claims in respect of unpaid Dividend that remained unclaimed for a period of three years (or more)

Dear Shareholder,

In terms of section 244 of the Companies Act, 2017 (the Act) promulgated on May 30, 2017, Companies are required to deposit with the Federal Government, all the dividends, which remain unclaimed or unpaid for a period of three years from the date of issue. In view of the forgoing, it is to inform you that if you have any outstanding/unclaimed dividend(s), in respect of your account, you are therefore, advised to contact and lodge your claim to the share Registrar of the Company at following address and arrange to receive your cheque against unclaimed/outstanding dividend after completing necessary formalities.

M/s Corptec Associates (Pvt) Ltd.
503-E Johar Town Lahore
Tel:042-35170335 -7

You are requested to submit your claim along with supporting evidence at your very earliest.

Yours sincerely

Company Secretary

Second Fold

Affix Revenue
Stamp

Corptec Associates (Pvt) Ltd.

Shares Registrar: Suraj Cotton Mills Limited
503-E Johar Town Lahore.

Third Fold and Tuck In

First Fold

Form of Proxy

Forty-first Annual General Meeting

I/We _____ of _____
being a member of **Suraj Cotton Mills Limited** and holder of _____
shares as per Registered Folio No. _____

For Beneficial Owners as per CDC list

CDC Participant I. D. No. _____

Sub-Account No. _____

NIC No. _____ or Passport No. _____.

hereby appoint _____ of _____ Who is also a member of the Company, Folio No. _____ or failing him/her _____ of _____ who is also member of the Company vide Registered Folio No. _____ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the **41ST Annual General Meeting** of the Company to be held on **Monday, October 27, 2025 at 10:00 a.m.** at Registered Office, Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, and at any adjournment thereof.

Dated this _____ day of _____, (Year) _____

Witness 1:

Signature: _____

Name: _____

Address: _____

Affix
Revenue of Stamp
of Rs. 5/-

Witness 2 :

Signature: _____

Name: _____

Address: _____

Signature of Member(s)

Note:

- Proxies in order to be effective, must be received at the Registered Office of the Company at Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore not later than 48 hours before the meeting.
- CDC Shareholders and their Proxies are each requested to attach an attested Photocopy of their National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم (مختار نامہ)

میں / ہم _____ ساکن _____
 بحیثیت رکن سورج کاٹن ملز لمیٹڈ اور مالک _____ حصص بمطابق رجسٹرڈ فلیو نمبر _____
 سی ڈی سی فہرست کے مطابق بینفٹل مالکان کے لئے _____
 سی ڈی سی پارٹیشن آئی ڈی نمبر _____
 سب اکاؤنٹ نمبر _____
 NIC نمبر _____ یا پاسپورٹ نمبر _____

بذریعہ ہذا _____ ساکن _____ فلیو نمبر _____
 محترم / محترمہ _____

یا اسکی غیر موجودگی میں _____ ساکن _____ بمطابق رجسٹرڈ فلیو نمبر _____

جو مذکورہ کمپنی کا حصص دار بھی ہے
 کو اپنے / ہمارے ایماء پر: مورخہ 27 اکتوبر 2025ء، بروز سوموار صبح 10:00 بجے، رجسٹرڈ دفتر، ٹرائی کون کارپوریٹ سنٹر، 8th فلور، E-73، مین جیل روڈ، گلبرگ II، لاہور
 میں منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے
 ہیں۔
 آج بروز بتاریخ 2025ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

1-

دستخط: _____

نام: _____

پتہ: _____

2-

دستخط: _____

نام: _____

پتہ: _____

5/- روپے کارسیدی ٹکٹ
 چسپاں کریں

رکن کے دستخط

اہم نوٹ:

- 1- پراکسیز موثر ہونے کے لئے، کمپنی کے رجسٹرڈ دفتر، ٹرائی کون کارپوریٹ سنٹر، 8th فلور، E-73، مین جیل روڈ، گلبرگ II، لاہور میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً وصول ہو جانے چاہئیں۔
- 2- سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز ہر ایک سے درخواست ہے کہ کمپنی کو جمع کرانے سے قبل پراکسی فارم کے ہمراہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی لف کریں۔

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SURAJ COTTON MILLS LIMITED

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Main Jail Road, Gulberg II, Lahore.

PABX: +92 42 35760381

Fax: +92 42 35760376